Never normal

Kotak Mahindra Capital Company Limited

Annual Report 2020-21

Contents

Board of Directors

BOARD OF DIRECTORS AS ON 31ST MARCH, 2021

Mr Uday Kotak.	Chairman
Mr. Krishnan Venkat Subramanian	Director
Mr. Dipak Gupta	Director
Mr. Jaimin Bhatt	Director
Mr. T.V. Ragunath.	Director
Mr. Ramesh Srinivasan	Managing Director & CEO
Mr. Sourav Mallik	Joint Managing Director

CIN

U67120MH1995PLC134050

REGISTERED OFFICE

27 BKC, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

AUDITORS

Deloitte Haskins & Sells LLP

REGISTRAR AND TRANSFER AGENT

M/S. LINK INTIME INDIA PVT. LTD.
C-101, 247 PARK, L.B.S. MARG, VIKHROLI (WEST),
MUMBAI – 400 083

WEBSITE

www.investmentbank.kotak.com

Directors' Report

To the Members

KOTAK MAHINDRA CAPITAL COMPANY LIMITED

The Directors present their Twenty Sixth Annual Report together with the audited accounts of your Company for the year ended 31st March, 2021.

1. FINANCIAL SUMMARY/ HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone Year ended 31st March, 2021	Standalone Year ended 31st March, 2020
Gross Income	21,078.51	23,606.50
Profit before Tax	10,981.56	10,360.73
Provision for Tax	3,117.46	3,021.75
Profit after Tax	7,864.10	7,338.98
Balance of Profit from previous years	54,030.99	49,588.39
Amount available for appropriation	61,925.66	54,030.99
Appropriations:		
Interim Dividend paid	1,546.27	NIL
Proposed Final Dividend	1,889.88	NIL
Surplus carried forward to the Balance Sheet	60,379.39	54,030.99

2. DIVIDEND

The Board has recommended a final dividend of ₹ 55/-per equity share @550% for fiscal 2020-21, aggregating to ₹ 188,988,195 (Rupees eighteen crores eighty nine lakhs eighty eight thousand one hundred and ninty-five only). The Board had earlier approved and paid an interim dividend of @ ₹ 45 per equity share which amounts to 3,436,149 equity shares x ₹ 45 = 154,626,705/- (₹ Fifteen Crores Forty Six Lakh Twenty Sixth Thousand Seven Hundred and Five Only) The final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

3. STATE OF THE COMPANY'S AFFAIRS

Kotak Mahindra Capital Company Limited (KMCC)

KMCC is a leading, full-service investment bank in India offering integrated solutions encompassing high-quality financial advisory services and financing solutions. The services include Equity Capital Market issuances, M&A Advisory and Private Equity Advisory.

Equity Capital Markets

In FY21, the Indian Equity Capital Markets witnessed a record fundraising year completing 32 IPOs, 1 FPO, 32 QIPs, 35 OFS and 20 Rights. A total of 244,910 crore (vs 147,974 crore in FY20) was raised across Initial Public Offerings (IPOs), Qualified Institutional Placements (QIPs), Further Public Offering (FPO), Rights Issues, Offers for Sale (OFS) and Block Deals dominated by large issuances. Post the impact of Covid-19 on the first few months of FY21, the record surge in activity can be primarily attributed to monetary and fiscal stimulus by central banks globally and locally leading to an FPI inflow of US$ 38bn into Indian markets in FY21. Capital markets initially witnessed mega-QIPs by Banks and NBFCs, followed by a resumption in IPO activity in the latter half of FY21. (Source: Prime Database).

KMCC successfully completed 28 marquee transactions, including 8 IPOs, 13 QIPs, 4 Block Deals, 1 FPO and 2 Rights Issues raising a total of 155,580 crore in FY21. Kotak was the left lead banker to India's largest IPO of the year and GCBRLM to India's largest ever Capital Markets transaction (World's largest Rights Issue by a non-financial institution). Kotak also led India's first ever REIT follow-on transaction during this period.

KMCC was ranked No. 1 in IPOs in FY21 having led 8 out of 10 IPOs more than ₹ 1,000 crore with an ~80% market share. KMCC had a 64% market share in FY21 across all ECM transactions. (Source: Prime Database)

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

IPO: Gland Pharma - ₹ 6,480 crore, Mindspace Business Parks REIT - ₹ 4,500 crore, Brookfield India REIT - ₹ 3,800 crore, Computer Age Management Services (incl. Pre-IPO) - ₹ 3,000 crore, UTI Asset Management - ₹ 2,160 crore, Indigo Paints - ₹ 1,169 crore, Home First Finance - ₹ 1,154 crore, Burger King India (incl. Pre-IPO) - ₹ 1,067 crore

Rights: Reliance Industries - ₹ 53,124 crore, Mahindra & Mahindra Financial Services - ₹ 3,089 crore

FPO: Yes Bank - ₹ 15,000 crore

QIP: ICICI Bank - 15,000 crore, HDFC Ltd. - ₹ 14,000 crore, Kotak Mahindra Bank - 7,443 crore, Godrej Properties - 3,750 crore, Embassy Office Parks REIT - 3,685 crore, PI Industries - 2,000 crore, Max Healthcare Institute - 1,200 crore, Apollo Hospitals - 1,170 crore, Phoenix Mills - 1,100 crore, PVR - 800 crore, SRF - 750 crore, Varroc Engineering - 699 crore, VMart Retail - 375 crore

Mergers & Acquisitions and Private Equity Advisory

The total M&A Advisory deal value in India for FY21 increased to USD 124 billion vis-à-vis USD 100 billion in FY20, while deal volumes decreased to 2,035 in FY21 from 2,170 in FY20. (Source: Bloomberg, as on April 03, 2021)

In FY21, KMCC was ranked #5 by volume of deals and #8 by value of deals in the M&A league tables (Source: Bloomberg, as on April 12, 2021). KMCC advised on a diverse array of 12 M&A transactions across a range of products and sectors, for a total deal value of USD 6.6 billion (not considering deals where values have not been disclosed):

- Across products, ranging from Acquisitions, Divestments, Mergers, Private Equity investments, Restructuring, Demerger, Buyback Offers;
- Across sectors, ranging from Industrials, Real Estate, Financial Services, Healthcare, Specialty Chemicals, Technology, etc.

Deal values in FY21 shown growth of 24% vis-à-vis the previous year despite disruptions like COVID-19 pandemic. While the total values of deals witnessed healthy increase in FY21, the deal volumes witnessed decline from FY20 levels. Private equity funds accounted for around 33% of the transactions by value and constituted significant part of India's M&A activity.

The deal activity during FY21 was largely contributed by inbound minority investments in the Digital, TMT and Consumer sectors. Investment by financial sponsors, including control transactions, is expected to drive to the deal activity during FY22 as well. Consolidation, including deals in distress situations, was another major driver for M&A transactions in FY21 and the trend is expected to continue in FY22. Other factors such as investment by global strategic players, divestment of non-core assets, restructuring are also expected to drive the M&A activity in FY22.

Some of the key advisory deals that were announced by KMCC during the financial year include:

- Financial advisor & fairness opinion provider to Samvardhana Motherson International in group reorganization
- Buyside advisor to Embassy REIT for its acquisition of Embassy Tech Village
- Fairness opinion provider to Tata Motors for subsidiarisation of passenger vehicles business
- Fairness opinion provider for sale of Indo Gulf Fertilizers by Grasim Industries
- Sellside financial advisor to Star Health and Allied Insurance Company for fund raise via private placement
- Buyside advisor to Piramal Pharma for its acquisition of 100% stake in Hemmo Pharmaceuticals
- Manager to buyback through tender offer process of Majesco Limited
- Sellside advisor to Utkarsh Small Finance Bank for private equity investment led by Olympus Capital
- Transaction advisor and fairness opinion provider for proposed reorganization of India based US business undertaking and consumer business undertaking by Cipla Limited
- Exclusive financial advisor to Signet Excipients on acquisition by IMCD India (100% subsidiary of IMCD N.V.)

COVID-19

While COVID -19 has forced employees to work from home there has been no disruption in the performance of official duties with employees and clients having adjusted to the new way of working. Your Company's performance has not materially adversely impacted by COVID-19 . However incase the virus and its variants further spreads through third wave it may adversely impact Company's performance.

A. Awards and Recognitions

- Best India Deal - Embassy Office REIT US$690 million at FinanceAsia Achievement Awards
- Best Securities House in India in Asiamoney's 2019 Best Securities Houses in Asia Awards
- The Asset Triple A Country Awards 2019 –
    - Best Equity Advisor, India
    - Best M&A Advisor, India

- Best IPO, India for Embassy Office Parks REIT US$688 million IPO
- Best QIP, India, for Godrej Properties US$302 million QIP
- Best rights issue, India, for Vodafone Idea's US$3.6 billion rights issue

4. INTERNAL CONTROL & RISK MANAGEMENT

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

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

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

5. DIRECTORS AND BOARD MEETINGS

Mr. Uday Kotak, Chairman (DIN: 00007467) and Mr. Jaimin Bhatt, Director (DIN No: 00003657) retire at the ensuing Annual General Meeting and are eligible for re-appointment.

During the financial year 2020-21, the Company held eight meetings of its Board of Directors was held on 28th April, 2020, 20 May 2020, 29th June, 2020, 21st July, 2020, 21st October, 2020, 14th December, 2020, 19th January, 2021 and 22nd March 2021.One Audit Committee meeting was held on 29th June, 2020. Two Corporate Social Responsibility (CSR) Committee meeting was held on 28th July, 2020 and 22nd March, 2021. One Extra Ordinary General Meeting (EGM) was held on 27th May, 2020. One Annual General Meeting (AGM) was held on 23rd September, 2020.

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

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

7. AUDITOR

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants have been appointed as Statutory Auditors of the Company, for term of 5 (five) consecutive years, from the financial years 2019-20 to 2023-24.

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

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

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

8. STATUTORY INFORMATION

During the year under review, your Company did not accept any deposits from the public. There are no deposits due and outstanding as on 31st March 2021.

During the year your Company's foreign exchange income was ₹ 4.11 Crores while the outgo was ₹ 0.31 Crores.

Conservation of Energy, Technology Absorption,

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

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

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit/ loss of your Company for the financial year ended March 31, 2021;

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

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

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

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

a.	Mr. Krishnan Venkat Subramanian, Director	:	(DIN 00031794)
b.	Mr. Ramesh Srinivasan, Managing Director & CEO	:	(DIN 02787576)
c.	Mr. T V Raghunath, Director	:	(DIN 02143711)

The CSR approach of your Company is charted out in its Board approved CSR policy. This policy sets out your Company's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India. It also demonstrates your Company's contribution towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs).

Your Company's CSR Committee is responsible for reviewing and recommending to the Board on the Company's various CSR initiatives including the progress of the Company's CSR Projects. Further, your Company's CSR Committee made recommendations to the Board to review and approve the CSR - Policy, Design, Path, Projects, Project Expenditure, and related matters. Thereafter, with Board's approval, the CSR Projects have been implemented by the Company.

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

Your Company's CSR Projects and CSR Project Expenditure for FY 2020-21 are compliant with the CSR mandate as specified under section 134, section 135 of the Companies Act, 2013 (Amendment 2019) and (Amendment 2020), schedule VII of the Companies Act, 2013, Companies (CSR Policy) Amendment Rules, 2021, FAQs 2014, and Government of India's circulars and notifications issued from time-to-time.

The average net profit U/S 198 of the Company for the last three financial years preceding 31st March, 2021 is ₹ 98.40 Crores.

The prescribed CSR expenditure for FY 2020-21, required under section 135 of the Companies Act, 2013 (Amendment 2019) and (Amendment 2020), and Companies (CSR Policy) Amendment Rules 2021, is ₹ 1.97 crore.

The CSR Expenditure for the period 1st April 2020 to 31st March 2021 under section 135 of the Companies Act, 2013 (Amendment 2019) and (Amendment 2020) and Companies (CSR Policy) Amendment Rules 2021 amounts to ₹ 85 lacs. Of this amount, the Company's spend on Administrative Overheads for FY 2020-21 is ₹ NIL.

The balance ₹ 1.12 crore Unspent CSR Project Expenditure amount of the ongoing CSR Projects of FY 2020-21 has been transferred to Kotak Mahindra Capital Company Limited Unspent CSR Account FY 2020-21 in April 2021, and the Company is committed to utilise the same, within the stipulated three years from 1st April, 2021 to 31st March, 2024, towards completion of the Board approved Ongoing CSR Projects which were initiated in FY 2020-21 and continue to be under implementation as on 31st March 2021.

Company's CSR Expenditure of ₹ 85 lacs in FY 2020-21 as a percentage of average net profit U/S 198 of the Companies Act, 2013 is about 0.87%.

Further, your Company's CSR Expenditure for FY 2020-21 of ₹ 85 lacs is 35 % higher than its CSR Expenditure of about ₹ 65 lacs in FY 2019-20, which in turn was 58% higher than Company's CSR Expenditure of about ₹ 35 lacs in FY 2018-19.

Furthermore, as against the Companies Act stipulated 2% CSR Expenditure requirement of ₹ 1.97 crores crores for FY 2020-21, your Company's CSR Expenditure for FY 2020-21 was ₹ 85 lacs

The implementation of the CSR projects and programmes in FY 2020-21 have been done either directly and / or through implementing partner organisations having a proven track record of implementing cost and process efficient CSR projects and/or programmes that are scalable, sustainable, outcome driven and are committed to make a positive social impact.

Basis CSR Committee's review and recommendation, the Board has reviewed and approved all CSR Projects, CSR Project Expenditure Payments, CSR Administration Overhead Expenses including the Unspent CSR Project Expenditure Funds of FY 2020-21, which have been transferred to Kotak Mahindra Bank Limited "Unspent CSR Account FY2020-21" in April 21. The details are available in the Annexure to this report .

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

13. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered were of arm's length and in the ordinary course of business and there are no transactions to be reported. Details of Related Party Transactions are provided in note 30 to notes forming part of financial statements attached to the Directors Report. There are no material related party transactions, which were at arm's length hence Form AOC-2 is not attached.

14. PARTICULARS OF EMPLOYEES

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

15. REPORT ON THE PERFORMANCE OF ASSOCIATE COMPANIES

Following are the associate companies of the Company:

- Infina Finance Private Limited
- Kotak Infrastructure Debt Fund Limited
- Kotak Investment Advisors Limited
- Kotak Mahindra (International) Limited
- Kotak Mahindra Inc
- Kotak Securities Limited

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

16. ACKNOWLEDGEMENTS

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

17. ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at http://www.investmentbank.kotak.com

For **and on behalf of the Board of Directors**
Uday Kotak
Chairman
DIN No. 00007467

Place: Mumbai
Date: 25th June,2021

Annexure A

Corporate Social Responsibility Report

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Kotak Mahindra Capital Company Limited (KMCC) recognises the immense opportunity it has to bring about a positive change in the lives of the communities through its business operations and corporate social responsibility (CSR) initiatives.

KMCC aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs). This policy sets out KMCC's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

While ensuring that its CSR Policy, projects and programmes are compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time, KMCC also endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions and last but not the least, United Nation's Sustainable Development Goals (SDGs).

2. COMPOSITION OF CSR COMMITTEE

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Krishnan Venkat Subramanian	Non Executive Director	2	2
2	Ramesh Srinivasan	Managing Director & CEO	2	2
3	T.V. Raghunath	Non Executive Director	2	2

3	Provide the weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company	:	www.investmentbank.kotak.com
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	:	Not Applicable for the financial year under review
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	:	NIL
6	Average net profit of the company as per Section 135 for FY 20-21	:	₹ 98.40 crore
7	Two percent of average net profit of the company as per section 135 (5)	:	₹ 1.97 crore
7a	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	:	NIL
7b	Amount required to be set off for the financial year, if any	:	NIL
	Total CSR obligation for the financial year (7a+7b-7c)	:	₹ 1.97 crore

8 (A) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year Amount Unspent (in crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Amount Name of the fund	Amount	Date of transfer
	1,12,00,000	27-Apr-21	Nil	Nil	Nil

8 (B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No	Location of the Project		Project duration	Amount allocated for the project (₹ in crore	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No
1	Education & Livelihood – Project Scholarship	Education & Livelihood	Yes	Pan India		1st April 2020 - 31st March 2024	₹1.49 Crore	₹0.37 Crore	₹1.12 Crore	NO	Kotak Education Foundation CSR00001785	
	Total						₹ 1.49 Crore	₹ 0.37 Crore	₹ 1.12 Crore			

8 (C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

1	2	3	4	5		6	7	8	
Sl. No	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (yes/No)	Location of the Project		Amount Spent for the Project (in ₹)	Mode of Implementation Direct(yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration No
1	Education & Livelihood (Multiple Interventions)	Education & Livelihood	Yes	Mumbai		₹ 0.48 Crore	No	Kotak Education Foundation CSR00001785	
						₹ 0.48 Crore			

8d	Amount Spent on Administrative Overheads	:	Nil
8e	Amount spent on Impact Assessment, if applicable	:	NIL
8f	Total amount spent for Financial Year(8b+8c+bd+8e)	:	₹ 1.97 crore
8g	Excess amount for set off, if any	:	Nil
9A	Details of Unspent CSR amount for preceding three financial years	:	NIL
9B	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years	:	Nil
10	Incase of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSE spent in the financial year	:	NIL

Sd/-
Mr. Krishnan Venkat Subramanian

Sd/-
Ramesh Srinivasan

Sd/-
T.V Raghunath

Date 25th June, 2021

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

Part "A" : Subsidiaries

(₹ In Lakhs)

Sl No.	
Name of the subsidiary	
Financial year ending on	
Reporting Currency	
Share Capital *	
Reserves & Surplus *	
Total Assets	
Total Liabilities	Not Applicable
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	

- There are no subsidiaries which are yet to commence commercial operations.
- There are no subsidiaries which have been liquidated or sold during the year.

Part "B" : Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(₹ In Lakhs)

Particulars	Kotak Mahindra (International) Limited	Kotak Mahindra Inc	Kotak Investment Advisors Limited	Kotak Securities Limited	Infina Finance Private Limited	Kotak Infrastructure Debt Fund Limited
Latest audited Balance Sheet date	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Share of Associate held by the company on the year end						
No. of Equity Shares	2,000,000	750,000	2,250,070	400,010	1,100,240	62,000,000
Amount of Investment in Associates (₹ In lakhs)	718.00	343.78	226.01	12,300.00	110.02	6,200.00
Extent of Holding (%)	49.00%	49.00%	41.37%	25.00%	49.99%	20.00%
Description on how there is significant influence	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power
Reason why the associate is not consolidated	Ownership of less than 50% of the Voting Power and no control over the Board	Ownership of less than 50% of the Voting Power and no control over the Board	Ownership of less than 50% of the Voting Power and no control over the Board	Ownership of less than 50% of the Voting Power and no control over the Board	Ownership of less than 50% of the Voting Power and no control over the Board	Ownership of less than 50% of the Voting Power and no control over the Board
Networth attributable to shareholding as per latest audited Balance sheet	46,782.41	510.64	19,107.18	204,459.21	96,545.73	8,311.72
Profit / Loss for the year	7,835.14	624.62	6,854.49	107,515.32	22,627.17	3,489.62
i. Considered in Consolidation	3,839.20	306.07	2,835.41	26,879.51	11,310.91	697.93
ii. Not Considered in Consolidation	3,995.94	318.55	4,019.08	80,635.81	11,316.26	2,791.69

- There are no associate / joint venture which are yet to commence commercial operations.
- During the year, the group sold none of its stake in joint venture.

For and on Behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Dated: : 25th June, 2021

Independent Auditor's Report

To
The Members of

KOTAK MAHINDRA CAPITAL COMPANY LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Kotak Mahindra Capital Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company does not have any pending litigations 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora
(Partner)
(Membership No. 100459)
(UDIN:21100459AAAAKW1996)

Place: Mumbai
Date: 25th June, 2021

Annexure "A" to the Independent Auditor's Report

(Referred To In Paragraph 1(F) Under 'Report On Other Legal And Regulatory Requirements' Section Of Our Report Of Even Date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Kotak Mahindra Capital Company Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ketan Vora
Partner
(Membership No. 100459)
(UDIN:21100459AAAAKW1996)

Place: Mumbai
Date: 25th June, 2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Kotak Mahindra Capital Company Limited for the year ended 31st March 2021).

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

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

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

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause 3 (vi) of the Order is not applicable.

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

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

Having regard to the nature of the Company's business / activities, Custom Duty is not applicable.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services 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) Details of dues of Income-tax which have not been deposited as on 31st March 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount (₹ in lakhs)
Income Tax	Tax	Commissioner of Income Tax (Appeal)	A.Y. 2015-16	18.18
Income Tax	Tax	Commissioner of Income Tax (Appeal)	A.Y. 2018-19	142.99

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

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Ketan Vora
Partner
(Membership No. 100459)
(UDIN:21100459AAAAKW1996)

Place: Mumbai
Date: 25th June, 2021

Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Sr No	Particulars			Note No.	As at 31st March, 2021	As at 31st March, 2020
	ASSETS					
(1)	**Financial assets**					
	(a)	Cash and cash equivalents		2	4,086.69	33.82
	(b)	Bank Balance other than cash & cash equivalents		3	3,541.75	5,799.03
	(c)	Receivables				
		(I)	Trade receivables	4	1,673.39	4,224.43
		(II)	Other receivables	4A	5.88	36.34
	(d)	Loans		5	0.31	1.76
	(e)	Investments		6	299,351.09	258,754.99
	(f)	Other Financial assets		7	0.25	5.68
	Total financial assets				**308,659.36**	**268,856.05**
(2)	**Non-financial assets**					
	(a)	Current Tax assets (Net)			755.22	905.44
	(b)	Deferred Tax assets (Net)		27	549.31	135.51
	(c)	Investment property		8	-	1,370.13
	(d)	Property, Plant and Equipment		9	359.42	496.05
	(e)	Other intangible assets		10	0.74	1.12
	(f)	Other non-financial assets		11	120.70	452.00
	Total non-financial assets				**1,785.39**	**3,360.25**
	Total Assets				**310,444.75**	**272,216.30**
	LIABILITIES AND EQUITY					
	LIABILITIES					
(1)	**Financial liabilities**					
	(a)	Payables		12		
		(i)	Trade payables			
		(ii)	total outstanding dues of micro enterprises and small enterprises		2.12	1.62
		(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		530.45	464.16
	(b)	Other financial liabilities		13	903.05	828.39
	Total financial liabilities				**1,435.62**	**1,294.17**
(2)	**Non-Financial liabilities**					
	(a)	Current tax liabilities (Net)			965.42	186.29
	(b)	Provisions		14	1,670.53	1,196.12
	(c)	Deferred tax liabilities (Net)		27	52,311.59	45,509.23
	(d)	Other non-financial liabilities		15	540.71	285.71
	Total non-financial liabilities				**55,488.25**	**47,177.35**
(3)	**Equity**					
	(a)	Equity Share Capital		16	343.61	343.61
	(b)	Other equity		17	253,177.27	223,401.17
	Total equity				**253,520.88**	**223,744.78**
	TOTAL LIABILITIES AND EQUITY				**310,444.75**	**272,216.30**
	See accompanying significant policies and notes forming part of the financial statements			1-35		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
Partner

For and on Behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Dated: : 25th June, 2021

Place : Mumbai
Dated: : 25th June, 2021

Profit and Loss Account

for the year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
	REVENUE FROM OPERATIONS	18		
(i)	Sale of services		17,886.66	20,611.82
(I)	**Total revenue from operations**		**17,886.66**	**20,611.82**
(II)	**Other income**	19	3,191.85	2,994.68
(III)	**Total income (I + II)**		**21,078.51**	**23,606.50**
	EXPENSES	**20**		
	(i) Finance costs		7.35	31.13
	(ii) Impairment on financial instruments		(83.45)	3,187.76
	(iii) Employee Benefits expenses		7,677.18	7,102.70
	(iv) Depreciation, amortisation and impairment		200.26	193.03
	(v) Other expenses		2,295.61	2,731.15
(IV)	**Total expenses**		**10,096.95**	**13,245.77**
(V)	**Profit before tax (III-IV)**		**10,981.56**	**10,360.73**
(VI)	**Tax expense**	27	.	
	(1) Current tax		3,306.81	2,800.12
	(2) Current tax pertaining to prior periods		(95.96)	(140.87)
	(3) Deferred tax charge/(credit)		(93.39)	362.50
	Total tax expense		**3,117.46**	**3,021.75**
(VII)	**Profit for the period from continuing operations (V-VI)**		**7,864.10**	**7,338.98**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	27	40.87	4.46
	- Equity Instruments through Other Comprehensive Income	27	28,882.73	40,505.65
	Sub-total		**28,923.60**	**40,510.11**
	(ii) Income tax relating to items that will not be reclassified to profit or loss	27	6,481.96	8,509.12
	Total		**22,441.64**	**32,000.99**
	Other comprehensive income		**22,441.64**	**32,000.99**
(IX)	**Total Comprehensive Income for the period**		**30,305.74**	**39,339.97**
(X)	**Earnings per equity share of ₹ 10/- each**	21		
	Basic (₹)		228.86	213.58
	Diluted (₹)		228.86	213.58
	See accompanying significant policies and notes forming part of the financial statements	1-35		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on Behalf of the Board of Directors

Ketan Vora
Partner

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Dated: : 25th June, 2021

Place : Mumbai
Dated: : 25th June, 2021

Statement of Cash Flow

for the year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020	For the Year ended 31st March, 2020
A.	**Cash flow from operating activities**				
	Net Profit before extraordinary items and tax		10,981.56		10,360.73
	Adjustments for:				
	Depreciation and amortisation	200.26		193.03	
	Interest on deposits with banks	(241.35)		(677.20)	
	Net gain on fair value changes	(1,031.94)		(732.51)	
	Net gain on derecognition of property, plant and equipment	(715.67)		(49.05)	
	Net gain or loss on foreign currency transaction and translation	-		(157.98)	
	Interest on Security Deposit	7.35		1.82	
	Other interest expense	-		29.31	
	Impairment on financial instruments	(91.89)		271.28	
	Fair valuation of share based payments to employees	2,286.06		1,949.84	
	Interest income from debentures	(914.90)		(1,042.83)	
	Provision for no longer required written back	(55.07)		(55.64)	
			(557.15)		(269.94)
	Operating profit before working capital changes		10,424.41		10,090.80
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Trade receivables	2,662.91		47.93	
	Loans and advances	1.54		3.07	
	Other assets	336.73		(411.69)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	66.79		(345.26)	
	Other liabilities	329.66		(357.69)	
	Provisions	(706.41)		(1,145.08)	
			2,691.22		(2,208.72)
	Cash generated from operations		13,115.63		7,882.08
	Net income tax paid		(2,281.51)		(3,087.90)
	Net cash flow from operating activities (A)		**10,834.12**		**4,794.18**
B.	**Cash flow from investing activities**				
	Capital expenditure on Property, Plant and Equipment	(52.63)		(348.07)	
	Proceeds from sale of Property, Plant and Equipment	2,075.18		61.83	
	Bank deposits placed during the year not considered as cash & cash equivalents	(75,833.12)		(19,625.13)	
	Bank deposits matured during the year not considered as cash & cash equivalents	78,059.00		23,831.78	
	Purchase of Investments	(32,214.00)		(10,900.61)	

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020	For the Year ended 31st March, 2020
Proceeds from sale of Investments	21,150.56		3,835.57	
Interest received on bank deposits	275.67		676.04	
Interest income from debentures	1,305.14		615.49	
Net cash flow used in investing activities (B)		**(5,234.20)**		(1,853.10)
C. Cash flow from financing activities				
Interest paid on delayed payment of taxes	-		(29.31)	
Dividend paid including corporate dividend tax	(1,546.27)		(2,899.72)	
Net cash flow from / (used in) financing activities (C)		**(1,546.27)**		(2,929.03)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**4,053.65**		12.05
Cash and cash equivalents at the beginning of the year		33.84		21.79
Cash and cash equivalents at the end of the year		**4,087.49**		**33.84**

Notes:

1. The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of Cash Flows'.
2. **Non- cash financing activity -**

   ESOP from parent of ₹ 1,016.59 lakhs for year ended 31st March 2021 (previous year - ₹ 1,084.08 lakhs)
3. Reconciliation of Cash and cash equivalents with the Balance Sheet:

Cash and cash balances as per Balance Sheet (Refer Note 2)	4,086.69	33.82
Add: Expected credit losses as per Ind AS 109	0.80	0.02
Cash and cash equivalents at the end of the year (Balances with banks in current accounts)	**4,087.49**	**33.84**

4. Net profit before tax and (Increase) / Decrease in debtors includes unrealized foreign exchange profit amounting to Nil (Previous year foreign exchange loss of ₹ 157.98 lakhs)

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on Behalf of the Board of Directors

Ketan Vora
Partner

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Dated: : 25th June, 2021

Place : Mumbai
Dated: : 25th June, 2021

Statement of Changes in Equity

Forming part of the Financial Statements as at 31st March, 2021

A. Equity Share Capital

(₹ in lakhs)

Particulars	Balance at the beginning of the period	Changes in equity share capital during the year	Balance at the end of the period
Equity shares of ₹ 10 each fully paid up			
As on 31st March 2020	343.61	-	**343.61**
As on 31st March 2021	343.61	-	**343.61**

B. Other equity

(₹ in lakhs)

Particulars	Reserves & Surplus			Other Comprehensive Income	Capital Contribution from Parent	Total
	Securities premium	Capital redemption reserve	Retained earnings	Equity instruments at FVOCI		
Opening balance as on 31st March 2019	6,177.89	68.00	49,588.39	128,775.76	1,266.80	185,876.84
Total Comprehensive Income for the period			7,342.32			7,342.32
Other Comprehensive Income for the period				31,997.65		31,997.65
Dividends			(2,405.30)			(2,405.30)
Dividend Distribution Tax			(494.42)			(494.42)
Contribution for the period					1,084.08	1,084.08
Changes during the period	-	-	4,442.60	31,997.65	1,084.08	37,524.33
Closing balance as on 31st March 2020	**6,177.89**	**68.00**	**54,030.99**	**160,773.41**	**2,350.88**	**223,401.17**
Total Comprehensive Income for the period			7,894.67			7,894.67
Other Comprehensive Income for the period				22,411.05		22,411.05
Dividends			(1,546.27)			(1,546.27)
Dividend Distribution Tax						-
Contribution for the period					1,016.65	1,016.65
Changes during the period	-	-	6,348.40	22,411.05	1,016.65	29,776.10
Closing balance as on 31st March 2021	**6,177.89**	**68.00**	**60,379.39**	**183,184.46**	**3,367.53**	**253,177.27**

See accompanying significant policies and notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on Behalf of the Board of Directors

Ketan Vora
Partner

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Dated: : 25th June, 2021

Place : Mumbai
Dated: : 25th June, 2021

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

1. CORPORATE INFORMATION

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

It operates as a full – service Investment bank.

2. BASIS OF PREPARATION

A. Statement of compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (herein after referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016] 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. These standalone financial statements were authorized for issue by the Company's Board of Director's on 25th June, 2021

B. Functional and presentation currency

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

C. Basis of measurement

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

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments);
- Net defined benefit (asset) / liability: Net defined benefit liability is measured at present value of defined benefit obligation less fair value of planned assets.;
- Share-based payments - measured at fair value.

D. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised 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. Recognition of revenue over time or at a point in time

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

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

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

III. Recognition and Measurement of defined benefit obligations

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

IV. Recognition of deferred tax assets

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII Fair value of share-based payments

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

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

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

VIII Fair value of financial instruments

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

IX Business model assessment

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

X. Effective Interest Rate (EIR) method

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

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

XI Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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.

XII Impairment of non-financial assets

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

XIII Lease classification: Company as a lessor

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

XIV Impact of COVID 19

COVID-19, global pandemic, continued to take its toll on not just human life, but business and financial markets too, the extent of which still remains unascertainable. Governments have introduced various lockdowns since March 2020. Such lockdowns have been lifted for activities in a phased manner by various governments at different points in time depending on the situation prevailing in their respective jurisdictions.

On 16th January 2021 India started its national vaccination programme against the SARS-CoV-2 virus which has caused the COVID-19 pandemic which has given some hopes to human lives, businesses and global financial markets. At the end of March, India had given a total of 55,800,000 first doses and 9,300,000 second doses.

While there is some improvement in the economic activity, the continued slowdown has a direct impact on the business of the Company including lengthening of collection cycles and resolution timelines of existing assets. There is still uncertainty regarding the time required for life and business to get back to normal completely. The extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which are still highly uncertain, including among many other things, the severity of the pandemic, effectiveness of vaccine and any action to contain its spread or mitigate its impact, whether Government mandated or elected by the Company.

The management has made judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income, and expenses. These estimates and associated assumptions are based on various factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. The assessment done by the Company is subject to significant uncertainty and the assumptions and estimates may vary materially as events unfold.

The Company's Board of Directors have ensured that the carrying values of the financial assets and liabilities as on 31st March, 2021 have been assessed and adjusted, where necessary, for impact of COVID-19.

I. Impairment of Financial Asset

Financial assets measured at amortized cost includes cash and cash equivalents amounting to ₹ 4,086.69 lakhs (31st March, 2020: ₹ 33.82 lakhs), trade receivables amounting to₹ 1,673.39 lakhs (31st March, 2020: ₹ 4,224.43 lakhs), other receivables amounting to ₹ 5.88 lakhs (31st March, 2020: ₹ 36.34 lakhs) and debentures amounting to ₹ 7637.63 lakhs (31st March, 2020: ₹ 15,437.55lakhs) as at 31st March, 2021. The Company as on 31st March, 2021 holds provision for expected credit losses based on the information available. Basis this assessment, the allowance for expected credit loss on financial assets of ₹ 276.42 lakhs (31st March, 2020: ₹ 368.33 lakhs) as at 31st March, 2021 is considered adequate and the Company will continue to closely monitor any material changes to these assumptions, estimates and future economic condition

3. AMENDMENTS TO EXISTING IND AS:

(A) Amendments to existing Standards

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

4. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

I. Recognition and measurement

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

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

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure on PPE after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

iii. Depreciation

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

Computers	3 years
Office Equipment	5 years
Furniture and Fixtures	6 years
Vehicles	4 years
Leasehold Improvements	Over the period of lease subject to a maximum of 6 years

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

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

B. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

iii. Amortisation

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

Software (including development) expenditure	3 years

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

C. Investment property

i. Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost.

ii. Subsequent expenditure

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Any gain or loss on disposal of an investment property is recognised in profit or loss. The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

iii. Depreciation

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

Buildings	58 years

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

D. Revenue recognition

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

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Fee Income

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

Income from venture fund

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

Interest Income

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

Dividend Income

Dividend income is recognised in the statement of profit and loss when the right to receive the dividend is established.

E. Leases

The Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Operating Leases as a Lessor

Lease income from operating leases where the company is a lessor is recognised in income on either a straight-line basis or another systematic basis. The respective leased assets are included in the balance sheet based on their nature.

F. Income Tax

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

Current tax

Current tax [including Minimum Alternate Tax ('MAT')] is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

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

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

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

Deferred tax

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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:

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

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

G. Employee benefits

Defined contribution plan

- **Provident fund**

  Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to statement of profit and loss when due. The Company has no further obligations.

- **Superannuation Fund**

  The Company contributes a sum equivalent to 15% of eligible employee's salary subject to a maximum of ₹1 Lakh per annum per employee to a Superannuation Fund administered by trustees and managed by Kotak Life Insurance Company. The Company recognizes such contributions as an expense in the year they are incurred.

Defined benefit plan

- **Gratuity**

  The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary. The liability or asset recognised in the standalone balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at end of each period by actuaries using the projected unit credit method.

  The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

  Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the standalone balance sheet.

  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Standalone Statement of Profit and Loss as past service cost.

- **Compensated absences**

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

- **Other Employee Benefits**

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

  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.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

H. Foreign Currency transactions

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

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

I. Borrowing costs

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

J. Earnings per share

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

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

K. Impairment of non-financial assets

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

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss , to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognized.

L. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the notes.

M. Share based payments

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

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

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

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

Stock Appreciation Rights ("SARs") - Cash Settled

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

N. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. For detailed disclosure, refer Note 29.

O. Financial Instruments

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

Financial assets

Recognition and Initial measurement

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

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

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

Classification

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

Business model assessment

The Company determines business model in which an asset is held consistent with the way in which business is managed and information is 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,
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.
- 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 assessing contractual cash flows, '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.

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 using the Effective interest rate EIR method only if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

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, are recognized through profit and loss account. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to the profit and loss. Dividends are recognised in the statement of profit and loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for classification as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

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

Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

P. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as trade receivables, employee loans, investment in debt instruments, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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 includes the observable data such as Days Past Due ('DPD') or default event.

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:

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

The Company has historic credit loss data to compute ECL. The Company uses days past due information and forecasts the information to assess deterioration in credit quality of a financial asset.

The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Method used to compute lifetime ECL/12 month ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at 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. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

Q. Write-offs

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

R. Derecognition of financial assets and financial liabilities

Financial assets

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

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

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Financial liabilities

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

S. Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

T. Offsetting

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

U. Measurement of fair values

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs that are significant to the measurements, 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).

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

V. Cash and cash equivalents

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

W. Cash Flow Statement

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

5. TRANSITION TO IND AS 116: LEASES:

On March 30th March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company as a lessee

As a lessee, the Company leases property. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

On transitioning to Ind AS 116, The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. Further on adoption of Ind AS 116, Company has recorded lease rent income on straight line basis from prospective basis.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
2	**CASH AND CASH EQUIVALENTS :**		
	Cash on hand	-	0.23
	Balances with banks	191.57	33.61
	Fixed deposit with bank (with original maturity less than three months)	3,895.92	-
	Sub total	**4,087.49**	**33.83**
	Less: Impairment loss allowance	(0.80)	(0.02)
	Total	**4,086.69**	**33.81**
3	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS :**		
	Fixed deposit with bank	3,542.44	5,802.68
	Sub total	**3,542.44**	**5,802.68**
	Less: Impairment loss allowance	(0.69)	(3.65)
	Total	**3,541.75**	**5,799.03**
4	**RECEIVABLES :**		
	Trade receivables:		
	Unsecured, considered good	1,838.98	4,266.32
	Credit impaired	107.83	312.94
	Sub total	**1,946.81**	**4,579.26**
	Less: Impairment loss allowance	(273.42)	(354.83)
	Total	**1,673.39**	**4,224.43**
4A	**Other receivables:**		
	Unsecured, considered good	5.89	36.36
	Sub total	**5.89**	**36.36**
	Less: Impairment loss allowance	(0.01)	(0.02)
	Total	**5.88**	**36.34**
5	**LOANS (AT AMORTORTISED COST):**		
	(A)		
	(i) Loans repayable on Demand	0.32	1.85
	Total Gross (A)	**0.32**	**1.85**
	Less: Impairment loss allowance	(0.01)	(0.09)
	Total Net (A)	**0.31**	**1.76**
	(B)		
	(i) Unsecured	0.32	1.85
	Total Gross (B)	**0.32**	**1.85**
	Less: Impairment loss allowance	(0.01)	(0.09)
	Total Net (B)	**0.31**	**1.76**
	(C)		
	(I) Loans in India		
	(i) Public Sector	-	-
	(ii) Others	0.32	1.85
	Total Gross (C) (I)	**0.32**	**1.85**
	Less: Impairment loss allowance	(0.01)	(0.09)
	Total Net (C) (I)	**0.31**	**1.76**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	(II) Loans outside India	-	-
	Less: Impairment allowance	-	-
	Total Net (C) (II)	**-**	**-**
	Total (C) (I) and (II)	**0.31**	**1.76**

NOTE 6. INVESTMENTS

(₹ in lakhs)

Particulars	31st March, 2021						
		At Fair Value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Others (At Cost)	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(A)							
Mutual funds	-	-	30,487.81	-	30,487.81	-	30,487.81
Debentures	7,639.12	-	-	-	-	-	7,639.12
Equity instruments	-	241,302.37	4.99	-	241,307.36	-	241,307.36
Associates	-	-	-	-	-	19,897.80	19,897.80
Venture Capital Funds	-	-	20.49	-	20.49	-	20.49
Total Gross (A)	**7,639.12**	**241,302.37**	**30,513.29**	**-**	**271,815.66**	**19,897.80**	**299,352.58**
(B)							
(i) Investments outside India					-	1,061.78	1,061.78
(ii) Investments in India	7,639.12	241,302.37	30,513.29		271,815.66	18,836.02	298,290.80
Total (B)	**7,639.12**	**241,302.37**	**30,513.29**	**-**	**271,815.66**	**19,897.80**	**299,352.58**
Less: Impairment allowance	(1.49)				-		(1.49)
Total Net	**7,637.63**	**241,302.37**	**30,513.29**	**-**	**271,815.66**	**19,897.80**	**299,351.09**

(₹ in lakhs)

Particulars	31st March,2020						
		At Fair Value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Others (At Cost)	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(A)							
Mutual funds		-	10,961.25	-	10,961.25		10,961.25
Debentures	15,447.27	-	-	-	-		15,447.27
Equity instruments		212,419.63	4.99	-	212,424.62		212,424.62
Associates		-	-	-	-	19,897.81	19,897.81
Venture Capital Funds		-	33.76	-	33.76		33.76
Total Gross (A)	**15,447.27**	**212,419.63**	**11,000.00**	**-**	**223,419.63**	**19,897.81**	**258,764.71**
(B)							
(i) Investments outside India					-	1,061.78	1,061.78
(ii) Investments in India	15,447.27	212,419.63	11,000.00		223,419.63	18,836.03	257,702.93
Total (B)	**15,447.27**	**212,419.63**	**11,000.00**	**-**	**223,419.63**	**19,897.81**	**258,764.71**
Less: Impairment allowance	(9.72)				-		(9.72)
Total Net	**15,437.55**	**212,419.63**	**11,000.00**	**-**	**223,419.63**	**19,897.81**	**258,754.99**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 7 OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Other Income receivable	0.25	0.50
Lease equalisation reserve	-	5.18
Sub total	0.25	5.68
Less: Impairment loss allowance	-	-
Total	**0.25**	**5.68**

NOTE 8 INVESTMENT PROPERTY

A. Reconciliation of carrying amount

(₹ in lakhs)

Particulars	Premises
Cost or Deemed cost (Gross carrying amount)	
As at 31st March 2019	1,461.60
Additions during the year	-
Deletions/ disposals	-
As at 31st March 2020	**1,461.60**
Additions during the year	-
Deletions/ disposals	1,461.60
As at 31st March 2021	-
Accumulated depreciation	
As at 31st March 2019	60.98
Charge for the year	30.49
As at 31st March 2020	**91.47**
Charge for the year	9.94
Deletions/ disposals	101.41
As at 31st March 2021	-
Carrying amounts	
As at 31st March 2020	1,370.13
As at 31st March 2021	-
Fair value	
As at 31st March 2020	2,187.00
As at 31st March 2021	-

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

B. Measurement of fair values

i. Fair value hierarchy

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

ii. Valuation technique

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

C. Disclosure pursuant to Ind AS 40 "Investment Property"

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Rental income derived from investment property	25.82	177.94
Direct operating expenses arising from investment property that generated rental income	5.40	15.43

Note 9 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Computers	Vehicles	Office equipment	Total
At cost as on 31st March 2019	58.35	414.19	2.79	475.33
Additions during the year	9.12	337.27	0.48	346.87
Disposals during the year	(0.28)	(99.09)	(1.41)	(100.78)
At cost as on 31st March 2020	**67.19**	**652.37**	**1.86**	**721.42**
Accumulated depreciation and impairment as on 31st March 2019	23.85	129.05	0.47	153.37
Depreciation for the year	15.85	143.29	0.84	159.98
Disposals during the year	(0.12)	(87.15)	(0.71)	(87.98)
Accumulated depreciation and impairment as on 31st March 2020	**39.58**	**185.19**	**0.60**	**225.37**
Net carrying amount as on 31st March 2020	**27.61**	**467.18**	**1.26**	**496.05**
At cost as on 31st March 2020	67.19	652.37	1.86	721.42
Additions during the year	9.71	41.98	0.94	52.63
Disposals during the year	(3.11)	-	(0.90)	(4.01)
At cost as on 31st March 2021	**73.79**	**694.35**	**1.90**	**770.04**
Accumulated depreciation and impairment as on 31st March 2020	39.58	185.19	0.60	225.37
Depreciation for the year	17.33	171.91	0.70	189.94
Disposals during the year	(3.11)	-	(1.58)	(4.69)
Accumulated depreciation and impairment as on 31st March 2021	**53.80**	**357.10**	**(0.28)**	**410.62**
Net carrying amount as on 31st March 2021	**19.99**	**337.25**	**2.18**	**359.42**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Impairment loss and reversal of impairment loss

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

NOTE 10 OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software and System Development
At cost as on 31st March 2019	19.23
Additions during the year	1.20
Disposals during the year	-
At cost as on 31st March 2020	**20.43**
Accumulated depreciation and impairment as on 31st March 2019	16.75
Depreciation for the year	2.56
Disposals during the year	-
Accumulated depreciation and impairment as on 31st March 2020	**19.31**
Net carrying amount as on 31st March 2020	**1.12**
At cost as on 31st March 2020	20.43
Additions during the year	
Disposals during the year	
At cost as on 31st March 2021	**20.43**
Accumulated depreciation and impairment as on 31st March 2020	19.31
Depreciation for the year	0.38
Disposals during the year	
Accumulated depreciation and impairment as on 31st March 2021	**19.69**
Net carrying amount as on 31st March 2021	**0.74**

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for intangible assets

NOTE 11. OTHER NON FINANCIAL ASSETS

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Advances to employees	0.31	-
	Other deposits including electricity deposit	-	1.26
	GST receivable (Net)	66.60	397.23
	Prepaid expenses	53.79	53.51
	Total	**120.70**	**452.00**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 12. PAYABLES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	2.12	1.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	530.45	464.16
Total	**532.57**	**465.78**

NOTE 13. OTHER FINANCIAL LIABILITIES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Security deposit	-	21.43
Employee related payables	903.05	806.96
Total	**903.05**	**828.39**

NOTE 14. PROVISIONS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Provision for employee benefits	183.50	186.47
Provision for gratuity	7.51	41.11
Provision for stock appreciation rights	1,342.06	963.31
Provision for Long Service Awards	5.08	5.23
Provision for Deferred Incentive	132.38	-
Total	**1,670.53**	**1,196.12**

NOTE 15. OTHER NON-FINANCIAL LIABILITIES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent received in Advance	-	5.63
Statutory dues payable	540.71	280.08
Total	**540.71**	**285.71**

NOTE 16. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Authorised		
Equity shares of ₹ 10 each	1,000	1,000
Issued, subscribed and paid-up		
Equity shares of ₹ 10 each fully paid	343.61	343.61
	343.61	**343.61**

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

(₹ in lakhs)

Particulars	No. of shares	Amount
As at 1 April 2019	3,436,149	343.61
Add : Issued during the year	-	-
As at 31st March 2020	3,436,149	343.61
Add : Issued during the year	-	-
As at 31st March 2021	**3,436,149**	**343.61**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

b. Terms/ rights attached to equity shares

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

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

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

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

(₹ in lakhs)

Particulars	31st March, 2021		31st March, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Kotak Mahindra Bank Limited, the holding company (along with nominees)	3,436,149	100.00%	3,436,149	100.00%
	3,436,149	**100.00%**	**3,436,149**	**100.00%**

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

(₹ in lakhs)

Particulars	31st March, 2021		31st March, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Kotak Mahindra Bank Limited, the holding company (along with nominees)	3,436,149	100.00%	3,436,149	100.00%
	3,436,149	**100.00%**	**3,436,149**	**100.00%**

NOTE 17 OTHER EQUITY

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Capital redemption reserve	68.00	68.00
Securities Premium	6,177.89	6,177.89
Retained Earnings	60,379.39	54,030.99
Equity instrument through OCI	183,184.46	160,773.41
Capital Contribution from Parent	3,367.53	2,350.88
Total	**253,177.27**	**223,401.17**

Nature and purpose of the reserve

Capital redemption reserve

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

Securities premium

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

Retained Earnings

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

Capital Contribution from Parent

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
18	**REVENUE FROM OPERATIONS**		
	Sale of Services		
	(i) Financial Advisory fees	6,591.58	14,802.47
	(ii) Issue Management and Placement fees and underwriting commission	11,295.08	5,809.35
	Total	**17,886.66**	**20,611.82**
19	**Other income :**		
(i)	Interest income (On Financial Assets measured at Amortised Cost):		
	Interest on loans	0.08	0.32
	Interest on deposits with banks	241.35	677.20
	Interest on debentures	914.90	1,042.83
	Sub Total	**1,156.33**	**1,720.35**
(ii)	**Rental income [Refer note 22 (ii)]**	25.82	177.94
(iii)	**Net gain/(loss) on fair value changes :**		
	(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
	- Mutual Fund investments	1,031.56	771.71
	- Venture Capital Fund	0.38	(39.20)
	Total Net gain/(loss) on fair value changes	**1,031.94**	**732.51**
	Fair value changes:		
	Realised	69.55	(21.54)
	Unrealised	962.39	754.05
	Total Net gain/(loss) on fair value changes	**1,031.94**	**732.51**
(iv)	**Other income**		
	Net gain/(loss) on derecognition of property, plant and equipment	715.67	49.05
	Net gain or loss on foreign currency transaction and translation	(1.71)	194.51
	Income distribution on Venture fund investments	-	-
	Interest in income tax refund	69.53	64.68
	Bad debts recovered	184.03	-
	Miscellaneous Income	10.24	55.64
	Sub Total	**977.76**	**363.88**
	Total	**3,191.85**	**2,994.68**

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
20	**EXPENSES**		
(i)	**Finance costs (On financial liabilities measured at amortised cost) :**		
	Interest on Security Deposit	7.35	1.82
	Other interest expense	-	29.31
		7.35	**31.13**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in lakhs)

Note No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(ii)	**Impairment on financial instruments**		
	Trade receivables	(81.39)	265.22
	Investments	(8.22)	6.31
	Other financial assets	(2.28)	(0.25)
	Write off	8.44	2,916.48
	Total	**(83.45)**	**3,187.76**
(iii)	**Employee Benefits expenses :**		
	Salaries and wages	5,117.25	4,779.49
	Contribution to provident and other funds [Refer Note : 23 A(i)]	219.83	213.32
	Share Based Payments to employees (Refer Note : 24)	2,286.06	1,949.84
	Staff welfare expenses	12.59	102.89
	Gratuity [Refer Note : 23(ii)]	41.45	57.16
	Total	**7,677.18**	**7,102.70**
(iv)	**Depreciation, amortization and impairment**		
	Buildings	9.94	30.49
	Vehicles	171.91	143.29
	Office equipment	0.70	0.84
	Computers	17.33	15.85
	Software	0.38	2.56
	Total	**200.26**	**193.03**
(v)	**Other expenses**		
	Electricity expenses	58.79	74.56
	Rent (Refer Note 22)	917.47	1,011.21
	Repairs and maintenance	122.96	136.08
	Communication Costs	41.52	49.77
	Printing and stationery	5.53	18.14
	Advertisement and publicity	7.00	20.03
	Contribution towards Corporate Social Responsibility (Refer note 32)	197.00	65.00
	Auditor’s fees and expenses - Statutory Audit	18.00	18.00
	Legal and Professional charges	215.40	191.45
	Insurance	17.08	19.86
	Travelling and Conveyance	20.80	322.29
	Rates and Taxes	5.11	15.37
	Common establisment expenses	483.88	579.98
	Miscellaneous expenses	102.40	209.41
	Brokerage Expenses	31.13	-
	Royalty expense	51.54	-
	Total	**2,295.61**	**2,731.15**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 21 EARNINGS PER SHARE

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

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

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A)	Net profit from continued operation attributable to equity holders	7,864.10	7,338.98
B)	Weighted average number of shares	3,436,149	3,436,149
C)	Face value per share (INR)	10	10
D)	Basic earnings per share (INR)	228.86	213.58
E)	Diluted earnings per share (INR)	228.86	213.58

NOTE 22 LEASE DISCLOSURES

Operating Lease as Lessor:

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

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

i. Future lease receivables

Following table sets out a maturity analysis of lease receivables, showing undiscounted lease rentals to be received after reporting date.

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A)	Less than one year	-	76.08
B)	Between one and five years	-	188.92
C)	More than five years	-	-
	Total	-	265.00

ii. Amounts recognised in profit or loss

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A)	Rent income	25.82	177.94
	Total	**25.82**	**177.94**

Operating Lease as Lessee:

The Company has taken office and residential premises under operating lease or leave and license agreements. These are generally renewable or cancelable at the option of the Company and range between 6 months to 11 months.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Amounts recognised in profit or loss

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A)	Rent expense	917.47	1,011.21
	Total	**917.47**	**1,011.21**

NOTE 23 EMPLOYEE BENEFITS

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

(i) Defined Contribution Plans:

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

The Company recognised INR 217.83 lakhs (previous year INR 213.32 lakhs) for provident and other fund contributions in the Statement of Profit and Loss.

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

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of ₹ 20 lakhs. (Previous Year ₹ 20 lakhs). The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at Balance Sheet date.

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

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A)	Present value of funded defined benefit obligation (A)	447.43	382.64
	Fair value of plan assets (B)	439.92	341.53
	Net liability recognised in the Balance Sheet (A-B)	7.51	41.11

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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:

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Opening balance	382.64	368.05	341.53	-	41.11	368.05
Included in profit or loss	-	-	-	-	-	-
Current service cost	40.42	33.66	-	-	40.42	33.66
Past service cost	-	-	-	-	-	-
Interest cost (income)	22.71	23.50	21.68	-	1.03	23.50
Employers contribution	-	-	48.97	366.87	(48.97)	(366.87)
	445.77	**425.21**	**412.18**	**366.87**	**33.59**	**58.34**
Included in OCI						
Remeasurement loss (gain):						
Actual return on plan asset less interest on plan asset	-	-	35.61	6.73	(35.61)	(6.73)
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	5.38	6.47	-	-	5.38	6.47
Experience adjustment	(10.65)	(4.20)	-	-	(10.65)	(4.20)
	(5.27)	**2.27**	**35.61**	**6.73**	**(40.88)**	**(4.46)**
Other						
Benefits paid	(7.87)	(43.66)	(7.87)	(32.07)	-	(11.59)
Liabilities assumed/ (settled)	14.80	(1.18)	-	-	14.80	(1.18)
Closing balance	447.43	382.64	439.92	341.53	7.51	41.11
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	**447.43**	**382.64**	**439.92**	**341.53**	**7.51**	**41.11**

C. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Discount rate	6.20%	6.40%
Salary escalation rate	**7.00%***	**7.00%***

* 0% untill year 1 inclusive, then

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

ii. Sensitivity analysis

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

Impact of change in assumptions	31-Mar-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(13.24)	14.00	(11.32)	11.97
Future salary growth (0.5% movement)	5.19	(5.11)	4.32	(4.55)

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.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

iii. Risk exposure

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

D. Disaggregation of Plan Asset

Particulars	31-Mar-21			31-Mar-20		
	Quoted Value	Non-Quoted Value	Total	Quoted Value	Non-Quoted Value	Total
Insurer managed funds	-	100%	100%	-	100%	100%

Particulars	31-Mar-21		31-Mar-20	
	%	Amount	%	Amount
Equity	56%	247.72	45%	153.48
Government Securities	31%	136.07	18%	60.10
Bonds, debentures and other fixed income instruments	9%	39.28	26%	88.68
Money market instruments	3%	13.51	11%	37.91
Others	1%	3.34	0%	1.36
Total	**100%**	**439.92**	**100%**	**341.53**

E. Expected Future Cash Flows

Expected contribution:

There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is therefore 50 Lakhs.

Expected future benefit payments:

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

Maturity profile	(₹ in lakhs)
Expected benefits for Year 1	79.77
Expected benefits for Year 2	50.42
Expected benefits for Year 3	58.29
Expected benefits for Year 4	51.65
Expected benefits for Year 5	59.64
Expected benefits for Year 6	44.44
Expected benefits for Year 7	28.51
Expected benefits for Year 8	23.00
Expected benefits for Year 9	21.38
Expected benefits for Year 10 and above	281.62

F. Compensated absences

The actuarially determined liability for compensated absences of accumulated leave of the employees of the Company is given below:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Total liability	183.50	186.47
Assumptions :		
Discount rate	**6.20%**	**6.40%**
Salary escalation rate	**7.00%***	**7.00%***

** 0% untill year 1 inclusive, then*

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 24 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.

During the year ended 31st March,2021 the following schemes were in operation

As at 31st March, 2021

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015-07 - D	15-May-17	Equity settled	23,281	31-Dec-20	4.13
ESOP 2015-14 - B	18-May-18	Equity settled	82,698	31-Oct-20	2.95
ESOP 2015-14 - C	18-May-18	Equity settled	91,846	30-Jun-21	3.62
ESOP 2015-14 - D	18-May-18	Equity settled	91,846	31-Dec-21	4.12
ESOP 2015-19 - B	20-May-19	Equity settled	101,211	31-Oct-21	2.95
ESOP 2015-19 - C	20-May-19	Equity settled	67,474	30-Jun-22	3.62
ESOP 2015-19 - D	20-May-19	Equity settled	67,474	31-Dec-22	4.12
ESOP 2015-25 - A	7-Aug-20	Equity settled	65,214	31-Aug-21	1.56
ESOP 2015-25 - B	7-Aug-20	Equity settled	65,214	30-Nov-22	2.81
ESOP 2015-25 - C	7-Aug-20	Equity settled	43,476	30-Jun-23	3.40
ESOP 2015-25 - D	7-Aug-20	Equity settled	43,476	31-Dec-23	3.90

As at 31st March, 2020

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015-02 - D	19-May-16	Equity settled	74	30-Nov-19	3.87
ESOP 2015-07 - B	15-May-17	Equity settled	30,918	31-Oct-19	2.96
ESOP 2015-07 - C	15-May-17	Equity settled	38,760	30-Jun-20	3.63
ESOP 2015-07 - D	15-May-17	Equity settled	38,760	31-Dec-20	4.13
ESOP 2015-08 - A	15-May-17	Equity settled	6,385	30-Sep-19	2.88
ESOP 2015-08 - B	15-May-17	Equity settled	6,385	30-Sep-20	3.88
ESOP 2015-14 - B	18-May-18	Equity settled	135,657	31-Oct-20	2.95
ESOP 2015-14 - C	18-May-18	Equity settled	90,438	30-Jun-21	3.62
ESOP 2015-14 - D	18-May-18	Equity settled	90,438	31-Dec-21	4.12
ESOP 2015-19 - A	20-May-19	Equity settled	99,561	31-Jul-20	1.70
ESOP 2015-19 - B	20-May-19	Equity settled	99,561	31-Oct-21	2.95
ESOP 2015-19 - C	20-May-19	Equity settled	66,374	30-Jun-22	3.62
ESOP 2015-19 - D	20-May-19	Equity settled	66,374	31-Dec-22	4.12

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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.

As at 31st March, 2021

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
ESOP 2015-25	7-Aug-20	1.07 - 3.40	0.50	1.31 - 3.65	1,341.00	1,340.10	3.61% - 5.06%	0.06%	29.29% - 39.75%	267.12 - 395.03

As at 31st March, 2020

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
ESOP 2015-19	20-May-19	1.20 - 3.62	0.50	1.45 - 3.87	1,460.00	1,460.00	6.63% - 7.03%	0.05%	21.16% - 31.00%	230.35 - 508.28

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2021.

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 Kotak Mahindra Bank Limited'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.

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2021

Scheme	Grant Date	31-Mar-21 Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2015-02	19-May-16	74	-	(74)	-	-	-	-	-
ESOP 2015-07	15-May-17	108,438	-	(83,758)	-	(1,399)	-	23,281	23,281
ESOP 2015-08	15-May-17	12,770	-	(12,770)	-	-	-	-	-
ESOP 2015-14	18-May-18	316,533	-	(55,071)	4,928	-	-	266,390	82,698
ESOP 2015-19	20-May-19	331,870	-	(94,659)	4,669	(4,902)	(819)	236,159	-
ESOP 2015-25	7-Aug-20	-	217,180	-	1,200	-	(1,000)	217,380	-
		769,685	**217,180**	**(246,332)**	**10,797**	**(6,301)**	**(1,819)**	**743,210**	**105,979**

Scheme	Grant Date	31-Mar-20 Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2007-44	9-May-14	-	-	-	-	-	-	-	-
ESOP 2007-47	9-May-15	6,940	-	(6,940)	360	-	(360)	-	-
ESOP 2015-02	19-May-16	39,856	-	(38,898)	1,472	(810)	(1,546)	74	74
ESOP 2015-07	15-May-17	141,036	-	(30,296)	3,584		(5,886)	108,438	30,918
ESOP 2015-08	15-May-17	12,770	-	-	-	-		12,770	6,385
ESOP 2015-14	18-May-18	475,520	-	(141,557)	5,920	(3,494)	(19,856)	316,533	-
ESOP 2015-19	20-May-19	-	345,800	-	-		(13,930)	331,870	-
		676,122	**345,800**	**(217,691)**	**11,336**	**(4,304)**	**(41,578)**	**769,685**	**37,377**

** This represents transfer of employees within Bank and its subsidiaries*

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

The details of exercise price for stock options outstanding at the end of the year are:

ESOP Scheme	Range of exercise prices (₹)	31-Mar-21			31-Mar-20		
		Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
2015-02	700-800	-	-	-	74	-	710
2015-07	901-1000	23,281	0.71	955.00	108,438	0.71	955
2015-08	901-1000	-	0.71	955.00	12,770	0.71	955
2015-14	1201-1300	266,390	1.61	1,271.00	316,533	1.61	1,271
2015-19	1400-1500	236,159	2.08	1,460.00	331,870	2.08	1,460
2015-25	1301-1400	217,380	2.13	1,341.00	-	-	-

ii. Stock Appreciation Rights (cash-settled)

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 62,040 SARs during FY 2020- 21. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.07 years to 4.11 years

As at 31st March, 2021

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015/Series 17	18-May-18	Cash settled	5,267	30-Jun-21	3.12
Scheme 2015/Series 17	18-May-18	Cash settled	5,267	7-Jul-21	3.14
Scheme 2015/Series 17	18-May-18	Cash settled	5,272	14-Jul-21	3.16
Scheme 2015/Series 17	18-May-18	Cash settled	5,267	30-Dec-21	3.62
Scheme 2015/Series 17	18-May-18	Cash settled	5,267	7-Jan-22	3.64
Scheme 2015/Series 17	18-May-18	Cash settled	5,272	14-Jan-22	3.66
Scheme 2015/Series 22	20-May-19	Cash settled	6,184	31-Oct-21	2.45
Scheme 2015/Series 22	20-May-19	Cash settled	6,184	7-Nov-21	2.47
Scheme 2015/Series 22	20-May-19	Cash settled	6,184	14-Nov-21	2.49
Scheme 2015/Series 22	20-May-19	Cash settled	4,126	30-Jun-22	3.12
Scheme 2015/Series 22	20-May-19	Cash settled	4,121	7-Jul-22	3.13
Scheme 2015/Series 22	20-May-19	Cash settled	4,121	14-Jul-22	3.15
Scheme 2015/Series 22	20-May-19	Cash settled	4,126	31-Dec-22	3.62
Scheme 2015/Series 22	20-May-19	Cash settled	4,121	7-Jan-23	3.64
Scheme 2015/Series 22	20-May-19	Cash settled	4,121	14-Jan-23	3.66
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	31-Aug-21	1.07
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	7-Sep-21	1.08
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	14-Sep-21	1.10
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	30-Nov-22	2.32
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	7-Dec-22	2.33
Scheme 2015/Series 28	7-Aug-20	Cash settled	5,764	14-Dec-22	2.35
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,841	30-Jun-23	2.90
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,842	7-Jul-23	2.92

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,844	14-Jul-23	2.93
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,841	31-Dec-23	3.40
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,842	7-Jan-24	3.42
Scheme 2015/Series 28	7-Aug-20	Cash settled	3,844	14-Jan-24	3.44
Scheme 2015/Series 31	7-Aug-20	Cash settled	896	31-Aug-23	3.07
Scheme 2015/Series 31	7-Aug-20	Cash settled	896	7-Sep-23	3.08
Scheme 2015/Series 31	7-Aug-20	Cash settled	896	14-Sep-23	3.10
Scheme 2015/Series 31	7-Aug-20	Cash settled	597	31-Aug-24	4.07
Scheme 2015/Series 31	7-Aug-20	Cash settled	597	7-Sep-24	4.09
Scheme 2015/Series 31	7-Aug-20	Cash settled	597	14-Sep-24	4.11

As at 31st March, 2020

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015/V3-1	15-May-17	Cash settled	2,765	30-Jun-20	3.13
Scheme 2015/V3-2	15-May-17	Cash settled	2,765	7-Jul-20	3.15
Scheme 2015/V3-3	15-May-17	Cash settled	2,790	14-Jul-20	3.17
Scheme 2015/V4-1	15-May-17	Cash settled	2,765	31-Dec-20	3.63
Scheme 2015/V4-2	15-May-17	Cash settled	2,765	7-Jan-21	3.65
Scheme 2015/V4-3	15-May-17	Cash settled	2,790	14-Jan-21	3.67
Scheme 2015/Series 17	18-May-18	Cash settled	6,796	31-Oct-20	2.46
Scheme 2015/Series 17	18-May-18	Cash settled	8,222	7-Nov-20	2.48
Scheme 2015/Series 17	18-May-18	Cash settled	8,222	14-Nov-20	2.50
Scheme 2015/Series 17	18-May-18	Cash settled	4,529	30-Jun-21	3.12
Scheme 2015/Series 17	18-May-18	Cash settled	5,481	7-Jul-21	3.14
Scheme 2015/Series 17	18-May-18	Cash settled	5,481	14-Jul-21	3.16
Scheme 2015/Series 17	18-May-18	Cash settled	4,529	30-Dec-21	3.62
Scheme 2015/Series 17	18-May-18	Cash settled	5,481	7-Jan-22	3.64
Scheme 2015/Series 17	18-May-18	Cash settled	5,481	14-Jan-22	3.66
Scheme 2015/Series 22	20-May-19	Cash settled	5,499	31-Jul-20	1.20
Scheme 2015/Series 22	20-May-19	Cash settled	6,357	7-Aug-20	1.22
Scheme 2015/Series 22	20-May-19	Cash settled	6,357	14-Aug-20	1.24
Scheme 2015/Series 22	20-May-19	Cash settled	5,499	31-Oct-21	2.45
Scheme 2015/Series 22	20-May-19	Cash settled	6,357	7-Nov-21	2.47
Scheme 2015/Series 22	20-May-19	Cash settled	6,357	14-Nov-21	2.49
Scheme 2015/Series 22	20-May-19	Cash settled	3,666	30-Jun-22	3.12
Scheme 2015/Series 22	20-May-19	Cash settled	4,238	7-Jul-22	3.13
Scheme 2015/Series 22	20-May-19	Cash settled	4,238	14-Jul-22	3.15
Scheme 2015/Series 22	20-May-19	Cash settled	3,666	31-Dec-22	3.62
Scheme 2015/Series 22	20-May-19	Cash settled	4,238	7-Jan-23	3.64
Scheme 2015/Series 22	20-May-19	Cash settled	4,238	14-Jan-23	3.66

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

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

As at 31st March, 2021

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SARs (INR)
		From	To	From	To			From	To		From	To	
Scheme 2015 /V2-1	15-May-17	0.25	0.79	0.25	0.79	-	1,293.70	4.31%	4.74%	0.06%	38.78%	58.10%	1293.07-1293.50
Scheme 2015/Series 17	18-May-18	0.59	1.79	0.59	1.79	-	1,293.70	4.59%	5.18%	0.06%	31.65%	42.98%	1292.27- 1293.23
Scheme 2015/Series 22	20-May-19	0.33	2.79	0.33	2.79	-	1,293.70	4.38%	5.40%	0.06%	27.74%	51.43%	1291.47 - 1293.43
Scheme 2015/Series 28	7-Aug-20	0.42	2.79	0.42	2.79	-	1,781.25	3.56%	5.02%	0.04%	29.09%	39.50%	1779.02 - 1780.91
Scheme 2015/Series 31	7-Aug-20	2.42	3.46	2.42	3.46	-	1,781.25	4.59%	5.51%	0.04%	31.93%	35.38%	1778.48 - 1779.31

As at 31st March, 2020

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SARs (INR)
		From	To	From	To			From	To		From	To	
Scheme 2015 /V2-1	15-May-17	0.25	0.79	0.25	0.79	-	1,293.70	4.31%	4.74%	0.06%	38.78%	58.10%	1293.07-1293.50
Scheme 2015/Series 17	18-May-18	0.59	1.79	0.59	1.79	-	1,293.70	4.59%	5.18%	0.06%	31.65%	42.98%	1292.27- 1293.23
Scheme 2015/Series 22	20-May-19	0.33	2.79	0.33	2.79	-	1,293.70	4.38%	5.40%	0.06%	27.74%	51.43%	1291.47 - 1293.43

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2021.

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 Kotak Mahindra Bank Limited'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.

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	31-Mar-21						
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
2015-9 (Series 9)	15-May-17	16,640	-	(16,640)	-	-	-	-
2015-17 (Series 17)	18-May-18	54,222	-	(23,238)	628	-	-	31,612
2015-22 (Series 22)	20-May-19	60,710	-	(18,213)	959	-	(168)	43,288
2015-28 (Series 28)	7-Aug-20	-	57,560	-	310	-	(230)	57,640
2015-31 (Series 31)	7-Aug-20	-	4,480	-	-	-	-	4,480
		131,572	**62,040**	**(58,091)**	**1,897**	**-**	**(398)**	**137,020**

Scheme	Grant Date	31-Mar-20						
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
2015-2 (Series 2)	26-Oct-15	-	-	-	-	-	-	-
2015-4 (Series 4)	9-May-15	-	-	-	-	-	-	-
2015-4 (Series 4)	19-May-16	10,684	-	(10,664)	-	-	(20)	-
2015-7 (Series 7)	19-May-16	7,040	-	(7,040)	-	-	-	-
2015-9 (Series 9)	15-May-17	30,275	-	(12,525)	-	-	(1,110)	16,640
2015-17 (Series 17)	18-May-18	82,670	-	(25,384)	-	-	(3,064)	54,222
2015-22 (Series 22)	20-May-19	-	63,570	-	-	-	(2,860)	60,710
		130,669	**63,570**	**(55,613)**	**-**	**-**	**(7,054)**	**131,572**

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

Effect of the employee share-based payment plans on the statement of Profit and Loss Account and on the financial position:

Year ended 31st March,	2021	2020
Total Employee compensation cost pertaining to share-based payment plans	2,286.06	1,949.84
Compensation cost pertaining to equity-settled employee share-based payment plan included above	1,016.66	1,084.07
Closing balance of liability for cash-settled options	1,342.06	963.31
Total intrinsic value of liabilities for vested benefits	-	**-**

NOTE 25 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

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

(₹ in lakhs)

Particulars	31-Mar-21				31-Mar-20			
	FVTPL	FVTOCI	Amortised cost	Others	FVTPL	FVTOCI	Amortised cost	Others
Financial Assets								
Cash and cash equivalents	-	-	4,086.69	-	-	-	33.82	-
Bank Balance other than cash and cash equivalent	-	-	3,541.75	-	-	-	5,799.03	-
Receivables:								
Trade receivables	-	-	1,673.39	-	-	-	4,224.43	-
Other receivables	-	-	5.88	-	-	-	36.34	-
Loans:								
Repayable on demand	-	-	0.31	-	-	-	1.76	-
Investments:								
Mutual funds	30,487.81	-	-	-	10,961.25	-	-	-
Debentures	-	-	7,637.63	-	-	-	15,437.55	-
Venture Funds	20.49	-	-	-	33.76	-	-	-
Equity instruments:								
Associates	-	-	-	19,897.80	-	-	-	19,897.81
Others	4.99	241,302.37	-	-	4.99	212,419.63	-	-
Other financial assets	-	-	0.25	-	-	-	5.68	-
Total financial assets	**30,513.29**	**241,302.37**	**16,945.90**	**19,897.80**	**11,000.00**	**212,419.63**	**25,538.61**	**19,897.81**
Financial liabilities								
Trade Payables	-	-	530.45	-	-	-	464.16	-
Other Financial Liability	-	-	903.05	-	-	-	828.39	-
Total financial liabilities	**-**	**-**	**1,433.50**	**-**	**-**	**-**	**1,292.55**	**-**

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

B. Fair value

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

(₹ in lakhs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments:								
Mutual funds	30,487.81	-	-	30,487.81	10,961.25	-	-	10,961.25
Equity instruments:								
Venture Funds	-	20.49	-	20.49	-	33.76	-	33.76
Others	-	241,302.37	4.99	241,307.36	-	212,419.63	4.99	212,424.62
Total financial assets	**30,487.81**	**241,322.86**	**4.99**	**271,815.66**	**10,961.25**	**212,453.39**	**4.99**	**223,419.63**

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

(₹ in lakhs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Debentures	-	7,789.29	-	7,789.29	-	15,592.47	-	15,592.47
Total financial assets	**-**	**7,789.29**	**-**	**7,789.29**	**-**	**15,592.47**	**-**	**15,592.47**
Financial liabilities								
Other Financial Liability	-	-	-	-	-	23.47	-	23.47
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**23.47**	**-**	**23.47**

Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Cash and cash equivalents	4,086.69	4,086.69	33.82	33.82
Bank Balance other than cash and cash equivalent	3,541.75	3,541.75	5,799.03	5,799.03
Receivables:				
Trade receivables	1,673.39	1,673.39	4,224.43	4,224.43
Other receivables	5.88	5.88	36.34	36.34
Loans	0.31	0.31	1.76	1.76
Investments:				
Debentures	7,637.63	7,789.29	15,437.55	15,592.47
Other financial assets	0.25	0.25	5.68	5.68
Total financial assets	**16,945.90**	**17,097.56**	**25,538.61**	**25,693.53**
Financial liabilities				
Payables				
Trade Payables	530.45	530.45	464.16	464.16
Other Financial Liability	903.05	903.05	828.39	830.43
Total financial liabilities	**1,433.50**	**1,433.50**	**1,292.55**	**1,294.59**

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

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

C. Measurement of fair values

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

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

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

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

Financial instruments valued at carrying value

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

Valuation techniques used to determine fair value

Investments in Mutual Funds

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

Investments in Debentures

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

Investment in Venture Capital Funds

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

Investment in Equity instruments (Classified as level 3)

Fair value has been determined by using the following approaches:

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

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

Investment in Equity instruments (Classified as level 2)

Fair value has been determined by using the following approaches:

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

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

of publicly traded comparable companies. Comparable Transaction multiple method: Under this method the value of shares/business of a company is determined based on market multiples of publicly disclosed transactions in the similar segment as that of the company being valued. Cost Approach : Break Up Value method has been adopted for valuation of equity shares."

Fair value of financial instruments carried at amortised cost

Investment securities held at amortised cost

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

Deposits

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

Transfers between Level 1 and Level 2

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

Level 3 fair values

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

(₹ in lakhs)

Particulars	As at April 1, 2020	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in Other Comprehensive Income	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31, 2021
Investments in Equity Instruments	4.99	-	-	-	-	-	4.99

Particulars	As at April 1, 2019	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in Other Comprehensive Income	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31, 2020
Investments in Equity Instruments	4.99	-	-	-	-	-	4.99

Transfer out of Level 3

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

The table below lists key unobservable inputs to Level 3 financial instruments, and provides the range of those inputs as at March 31, 2021:

Financial Instruments	Significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Investments in equity securities	Discount rate, Expected Cash Flows, price	If expected cash flows were higher / lower, discount rate were lower / higher and the price were higher / lower, the fair value would increase / decrease.

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.

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
If expected cash flows/price were higher / (lower) by 500 bps and the discount rate lower / (higher) by 100 bps, the fair value would increase / (decrease)	0.25	(0.25)	0.25	(0.25)

Impact of COVID 19

Fair value hierarchy of financial instruments which carried at fair value is either at Level 1, Level 2 and Level 3.
Financial assets which are classified as Level 1 is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities & Mutual funds.
Financial assets which are classified as Level 2 and Level 3, uncertainties arising out of COVID-19 is incorporated in discounts rates, credit spread and expected cashflows. Accordingly, impact has been considered while estimating fair value of the financial assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

D. Financial risk management

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

* Credit risk ;

* Liquidity risk ; and

* Market risk

i. Risk management framework

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

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

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

ii. Credit risk

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables	1,946.81	4,579.26
Other receivables	5.89	36.36
Investment in debentures	7,639.12	15,447.27
Cash and cash equivalents	4,087.49	33.83
Bank Balance other than (a) above	3,542.44	5,802.68
Other financial assets	0.57	7.53
Total	**17,222.32**	**25,906.93**

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Notes To the Standalone Financial Statements for the year ended 31st March 2021

a. Credit quality analysis

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

(₹ in lakhs)

Particulars	As at 31st March, 2021					
	Current	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due 90 days	Total
Trade Receivables	573.12	1,203.47	62.39	-	107.83	1,946.81
Sub Total	**573.12**	**1,203.47**	**62.39**	**-**	**107.83**	**1,946.81**
Less: Impairment Allowance	(25.49)	(179.98)	(14.76)	-	(53.19)	(273.42)
Carrying amount	547.63	1,023.49	47.63	-	54.64	1,673.39

Particulars`	As at 31st March, 2021			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Other receivables				
Current	5.89	-		5.89
	5.89	-	-	5.89
Less: Impairment Allowance	(0.01)			(0.01)
Carrying amount	5.88	-	-	5.88
Cash and bank balances				
Bank balances	7,629.93	-	-	7,629.93
	7,629.93	**-**	**-**	**7,629.93**
Less: Impairment Allowance	(1.49)			(1.49)
Carrying amount	7,628.44	-	-	7,628.44
Other Financial Assets				
Other Financial Assets	0.57	-	-	0.57
Less: Impairment Allowance	(0.01)			(0.01)
Carrying amount	0.56	-	-	0.56

Particulars	As at 31st March, 2021			
	Current			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Debentures				
AAA	5,094.85			5,094.85
AA	2,544.27			2,544.27
	7,639.12	**-**	**-**	**7,639.12**
Less: Impairment Allowance	(1.49)			(1.49)
Carrying amount	7,637.63	-	-	7,637.63

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Particulars	As at 31st March, 2020					
	Current	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due 90 days	Total
Trade Receivables	3,685.12	265.35	114.31	201.54	312.94	4,579.26
Sub Total	**3,685.12**	**265.35**	**114.31**	**201.54**	**312.94**	**4,579.26**
Less: Impairment Allowance	(67.10)	(44.33)	(20.67)	(47.87)	(174.86)	(354.83)
Carrying amount	3,618.02	221.02	93.64	153.67	138.08	4,224.43

Particulars	As at 31st March, 2020			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Other receivables				
Current	**36.36**	**-**	**-**	**36.36**
	36.36	**-**	**-**	**36.36**
Less: Impairment Allowance	(0.02)			(0.02)
Carrying amount	**36.34**	**-**	-	36.34
Cash and bank balances				
Bank balances	5,836.51	-	-	5,836.51
	5,836.51	**-**	**-**	**5,836.51**
Less: Impairment Allowance	(3.67)			(3.67)
Carrying amount	5,832.84	-	-	5,832.84
Other Financial Assets				
Other Financial Assets	7.53	-	-	7.53
	7.53	**-**	**-**	**7.53**
Less: Impairment Allowance	(0.09)			(0.09)
Carrying amount	**7.44**	**-**	**-**	**7.44**

Particulars	As at 31st March, 2020			
	Current			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Debentures				
AAA	15,447.27	-	-	15,447.27
	15,447.27	-	-	15,447.27
Less: Impairment Allowance	(9.72)	-	-	(9.72)
Carrying amount	15,437.55	-	**-**	**15,437.55**

b. Amounts arising from ECL

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

Inputs considered in the ECL model:

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

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

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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

Assumption considered in the ECL model:

"Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

"Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.

"Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company."

Forward looking information:

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

Assessment of significant increase in credit risk:

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

Definition of default:

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

Policy for write-off:

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

ii. Impairment loss allowance

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

(₹ in lakhs)

Particulars	Current	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due more than 90 days	Total
Trade receivables						
Balance as at 31st March, 2019	**26.94**	**50.02**	**10.24**	**-**	**2.41**	**89.61**
Transfer between DPD level	-	-	(0.35)	-	0.35	-
Remeasurement of loss allowance	-	-	-	-	4.37	4.37
Impact of change in parameters	(30.53)	(17.14)	(7.58)	(14.12)	-	(69.37)
New financial assets originated during the year	97.63	61.47	28.25	61.99	3,086.62	3,335.96
Financial assets that have been derecognised during the period	(26.94)	(50.02)	(9.89)	-	(2.41)	(89.26)
Write off	-	-	-	-	(2,916.48)	(2,916.48)
Balance as at 31st March, 2020	**67.10**	**44.33**	**20.67**	**47.87**	**174.86**	**354.83**
Transfer between DPD level	-	-	-	-	-	-
Remeasurement of loss allowance	-	-	-	-	(37.83)	(37.83)
Impact of change in parameters	-	-	-	-	-	-
New financial assets originated during the year	25.49	179.97	14.76	-	8.44	228.66
Financial assets that have been derecognised during the period	(67.10)	(44.32)	(20.67)	(47.87)	(83.84)	(263.80)
Write off	-	-	-	-	(8.44)	(8.44)
Balance as at 31st March, 2021	**25.49**	**179.98**	**14.76**	**-**	**53.20**	**273.42**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

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

Particulars	Amount
Balance as at 31st March, 2019	**3.41**
New financial assets originated during the year	3.24
Net remeasurement of loss allowance	3.07
Balance as at 31st March, 2020	**9.72**
New financial assets originated during the year	0.49
Net remeasurement of loss allowance	(8.71)
Balance as at 31st March, 2021	**1.49**

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

Particulars	Other receivables	Cash and bank balances	Other financial assets
Balance as at 31st March, 2019	**0.63**	**3.37**	**0.04**
Net remeasurement of loss allowance	(0.61)	0.30	0.05
Balance as at 31st March, 2020	**0.02**	**3.67**	**0.09**
Net remeasurement of loss allowance	**(0.01)**	**(2.18)**	**(0.09)**
Balance as at 31st March, 2021	**0.01**	**1.49**	**0.01**

NOTE 25 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

iii. Liquidity Risk

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

Maturity Profile of Financial Liabilities

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

(₹ in lakhs)

Sr. No.	Particulars	Carrying amount	Total	On demand	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
	As at 31st March, 2021								
	Non-derivative financial liabilities								
1	Trade and other Payables	530.45	530.45	-	530.45	-	-	-	-
2	Other Financial Liabilities	903.05	903.05	-	903.05	-	-	-	-
	Carrying Amount	**1,433.50**	**1,433.50**	**-**	**1,433.50**	**-**	**-**	**-**	**-**

Sr. No.	Particulars	Carrying amount	Total	On demand	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
	As at 31st March, 2020"								
	Non-derivative financial liabilities								
1	Trade and other Payables	464.16	464.16	-	464.16	-	-	-	-
2	Other Financial Liabilities	828.39	835.73	-	806.96	-	-	28.76	-
	Carrying Amount	**1,292.55**	**1,299.89**	**-**	**1,271.12**	**-**	**-**	**28.76**	**-**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

iv. Market risk

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

Currency risk

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2021 and 31st March, 2020 are as below:

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Financial assets		
Trade and other receivables	-	2,623.26
	-	2,623.26

(₹ in lakhs)

Particulars	Year end spot rate	
	31st March, 2021	31st March, 2020
USD	-	**75.67**
JPY	-	-

Sensitivity analysis

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

Particulars	Profit or loss	
	Strengthening	Weakening
31-Mar-21		
USD - 1% Movement	-	-
	-	-

Particulars	Profit or loss	
	Strengthening	Weakening
31-Mar-20		
USD - 1% Movement	(26.23)	26.23
	(26.23)	**26.23**

Interest Rate Risk

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

Exposure to interest rate risk

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

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate instruments		
Financial assets	11,181.56	21,249.95
Total Net	**11,181.56**	**21,249.95**

Interest rate sensitivity analysis for fixed-rate instruments

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

NOTE 26 CAPITAL DISCLOSURE

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company monitors its capital on a regular basis. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital as at 31st March 2020 and 31st March 2021.

NOTE 27 TAX EXPENSE

(a) Amounts recognised in profit and loss

(₹ in lakhs)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Current tax expense		
Current period	3,306.81	2,800.12
Changes in estimated related to prior years	(95.96)	(140.87)
Total current tax expense (A)	**3,210.85**	**2,659.25**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(189.35)	177.26
Reduction in tax rate	-	83.78
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences	95.96	101.46
Deferred tax expense (B)	(93.39)	362.50
Tax expense for the year (A)+(B)	**3,117.46**	**3,021.75**

(b) Amounts recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended 31-Mar-21			For the year ended 31-Mar-20		
	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)	40.87	(10.29)	**30.58**	4.46	(1.12)	**3.34**
(b) Equity instruments through other comprehensive income	28,882.73	(6,471.67)	**22,411.06**	40,505.65	(8,508.00)	**31,997.65**
Total	**28,923.60**	**(6,481.96)**	**22,441.64**	**40,510.11**	**(8,509.12)**	**32,000.99**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Profit before tax	10,981.56	10,360.73
Tax using the Company's domestic tax rate (Current year 25.168% Previous Year 25.168%)	2,763.84	2,607.59
Tax effect of:		
Tax impact of income not subject to tax	-	-
Tax effects of amounts which are not deductible from taxable income	329.06	355.86
Effect of different tax rate	23.88	13.59
Changes in estimated related to prior years	-	44.37
Others	0.68	0.34
Total income tax expenses	**3,117.46**	**3,021.75**

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	31-Mar-21					
	Net balance 31-Mar-20	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	**(174.93)**	**239.56**		**64.63**	**64.63**	
Security deposits	(0.43)	0.43		-	-	
Employee benefits	299.90	129.72	(10.29)	419.33	419.33	
Provisions	6.89	(4.32)		2.57	2.57	
Investments	(3.69)	64.60		60.91	60.91	
Other items	7.77	(5.90)		1.87	1.87	
Sub-Total	**135.51**	**424.09**	**(10.29)**	**549.31**	**549.31**	**-**
Deferred tax liabilities						
Fair valuation of investments	(45,509.23)	(330.69)	(6,471.67)	(52,311.59)		(52,311.59)
Sub-Total	**(45,509.23)**	**(330.69)**	**(6,471.67)**	**(52,311.59)**	**-**	**(52,311.59)**
Total	**(45,373.72)**	**93.40**	**(6,481.96)**	**(51,762.29)**	**549.31**	**(52,311.59)**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Particulars	31-Mar-20					
	Net balance 31-Mar-19	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	**(219.63)**	**44.70**		**(174.93)**		(174.93)
Security deposits	(0.64)	0.21		(0.43)		(0.43)
Employee benefits	561.13	(260.11)	(1.12)	299.90	299.90	
Provisions	(76.92)	83.81		6.89	6.89	
Investments	-	(3.69)		(3.69)		(3.69)
Other items	35.52	(27.75)		7.77	7.77	
Sub-Total	**299.46**	**(162.83)**	**(1.12)**	**135.51**	**314.56**	**(179.05)**
Deferred tax liabilities						
Fair valuation of investments	(36,801.56)	(199.67)	(8,508.00)	(45,509.23)		(45,509.23)
Sub-Total	**(36,801.56)**	**(199.67)**	**(8,508.00)**	**(45,509.23)**	**-**	**(45,509.23)**
Total	**(36,502.10)**	**(362.50)**	**(8,509.12)**	**(45,373.72)**	**314.56**	**(45,688.28)**

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 losses carried forward

	31st March 2021	Expiry date	31st March 2020	Expiry date
Expire				
Never expire				
	-	-	-	-

Company has opted for lower tax rate u/s 115BAA. Thus carried forward losses are not eligible for set off against future profits

NOTE 28 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from contracts with customers	17,886.66	20,611.82
Total Income	**17,886.66**	**20,611.82**
Impairment loss on receivables	(81.39)	265.22

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

b) Disaggregation of revenue from contracts with customers

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

(₹ in lakhs)

Particulars	Advisory and Transactional Services	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Major Service Lines		
Advisory Fees	6,591.58	14,802.47
Issue Management and Placement	11,295.08	5,809.35
Total	**17,886.66**	**20,611.82**
Timing of revenue recognition		
At a point in time	17,886.66	20,611.82
Over a period of time	-	-
Total	**17,886.66**	**20,611.82**

c) Contract Balances

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Receivables	1,673.39	4,224.43

d) Transaction price allocated to the remaining performance obligations

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

NOTE 29 SEGMENT INFORMATION

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

All operating segments' results, inter-company revenues and expenses, are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Company, for which discrete financial information is available. The Board of Directors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Company has two reportable segments, as described below:

Advisory and Transactional Services

Trading and Principal Investments

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

A. Information about reportable segments

For the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Reportable segments		
	Advisory and Transactional Services	Trading and Principal Investments	Total Segments
Revenue from external customers	17,886.66		17,886.66
Other income	194.27	2,186.56	2,380.83
Total	**18,080.93**	**2,186.56**	**20,267.49**
Segment result	8,007.74	2,210.60	10,218.34
Unallocable income	-	-	811.02
Unallocable expenses	-	-	47.80
Tax expenses	-	-	3,117.46
Segment profit / (loss)			**7,864.10**
Segment assets	730.45	308,409.78	309,140.22
Unallocated assets	-	-	1,304.53
Total Assets			**310,444.75**
Segment liabilities	2,239.19	-	2,239.19
Unallocated liabilities	-	-	54,684.68
Total Liabilities			**56,923.87**
Other disclosures			
Depreciation and amortisation	190.30	-	190.30
Unallocated depreciation and amortisation	-	-	9.94
Capital expenditure	**52.63**	**-**	**52.63**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

For the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Reportable segments		
	Advisory and Transactional Services	Trading and Principal Investments	Total Segments
Revenue from external customers	20,911.34	-	20,911.34
Other income	-	2,452.54	2,452.54
Total	**20,911.34**	**2,452.54**	**23,363.88**
Segment result	7,768.50	2,395.56	10,164.06
Unallocable income	-	-	242.62
Unallocable expenses	-	-	45.95
Tax expenses	-	-	3,021.75
Segment profit / (loss)			**7,338.98**
Segment assets	**5,213.61**	**264,585.94**	**269,799.55**
Unallocated assets	**-**	**-**	**2,416.75**
Total Assets			**272,216.30**
Segment liabilities	**2,748.94**	**-**	**2,748.94**
Unallocated liabilities			**45,722.58**
Total Liabilities			**48,471.52**
Other disclosures			
Depreciation and amortisation	162.54	-	162.54
Unallocated depreciation and amortisation	-	-	30.49
Capital expenditure	348.07	-	348.07

B. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Revenue		
Total revenue for reportable segments	20,267.49	23,363.88
Unallocable	**811.02**	**242.62**
Elimination of inter-segment revenue	**-**	**-**
Total revenue	**21,078.51**	**23,606.50**

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

(₹ in Lakhs)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(b)	**Profit / loss before tax**		
	Total profit before tax for reportable segments	10,218.34	10,164.06
	Profit before tax for other segments	763.22	196.67
	Elimination of inter-segment profit	-	-
	Total profit before tax from operations	**10,981.56**	**10,360.73**

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(c)	**Assets**		
	Total assets for reportable segments	309,140.22	269,799.55
	Assets for other segments		
	Other unallocated amounts	1,304.53	2,416.75
	Total assets	**310,444.75**	**272,216.30**

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(d)	**Liabilities**		
	Total liabilities for reportable segments	2,239.19	2,748.94
	Liabilities for other segments		
	Other unallocated amounts	54,684.68	45,722.58
	Total liabilities	**56,923.87**	**48,471.52**

C. Geographic information

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

Geography	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I Revenue		
In India	17,476.04	16,338.71
Outside India	410.62	4,572.63
Total Revenue	**17,886.66**	**20,911.34**

D. Information about major customers

Revenues from one customer of the Advisory and Transactional Services segment represented approximately INR 2,017.58 lakhs (previous year - INR 3,268.81 lakhs) of the Company's total revenues.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 30 RELATED PARTY DISCLOSURES

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

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
a)	**Holding company:**		
	Kotak Mahindra Bank Limited	**India**	**100.00%**
	Uday S. Kotak (Non executive Chairman) 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.		
b)	**Fellow subsidiaries with whom transactions have taken place during the year:**		
	Kotak Mahindra Life Insurance Company Limited		
	Kotak Mahindra Prime Limited		
	Kotak Mahindra Investments Limited		
	Kotak Mahindra General Insurance Company Limited		
	Kotak Mahindra (UK) Limited		
c)	**Associates**		
	Kotak Investment Advisors Limited	India	41.37%
	Kotak Mahindra (International) Limited	Mauritius	49.00%
	Kotak Mahindra Inc.	USA	49.00%
	Kotak Securities Limited	India	25.00%
	Kotak Infrastructure Debt Fund Limited	India	20.00%
	Infina Finance Private Limited	India	49.99%
d)	**Key Management Personnel/Directors**		
	Mr. Uday Kotak-Chairman		
	Mr. K V S Manian-Director		
	Mr. Dipak Gupta-Director		
	Mr. T.V.Raghunath-Director		
	Mr. Jaimin Bhatt-Director		
	Mr. Srinivasan Ramesh- Managing Director & CEO		
	Mr. Sourav Mallik - Joint Managing Director		
e)	**Key Management Personnel of holding company**		
	Mr. Uday Kotak - Managing Director & CEO		
	Mr. Dipak Gupta - Joint Managing Director		
f)	**Relative of Key Management Personnel of holding company**		
	Mr. Jay Kotak- (Son of Mr. Uday Kotak) (upto 31st October 2019)		
g)	**Post employment benefits plan**		
	Kotak Mahindra Capital Company Limited employment gratuity fund		

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

B. Transactions with Key Management Personnel

i. Key management personnel compensation

Sr. No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
i.	Short-term employee benefits*	879.07	741.12
ii.	Shared-based payments	287.02	194.93

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

ii. Transactions with related parties

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

(₹ in Lakhs)

	Particulars	31st March, 2021	31st March, 2020
I.	**Holding Company**		
-	**Kotak Mahindra Bank Limited**		
	Transactions during the year :		
	Interest received on Fixed Deposit	241.35	677.20
	Fixed Deposit Placed	79,729.00	19,625.13
	Fixed Deposit encashed/ Matured	78,059.00	23,831.78
	Sale of Fixed assets	-	0.15
	Expenses reimbursement to Kotak Mahindra Bank Limited	1,590.19	1,787.72
	Expenses reimbursement by Kotak Mahindra Bank Limited	5.19	109.58
	Final/Interim Dividend- Paid	1,546.27	2,405.30
	Brokerage /fee/commission sharing of revenue- Receivable	900.00	-
	Employee stock option plan	1,084.07	1,084.07
	Balance Outstanding as of end of year		
	Bank Balance	4,086.69	33.82
	Fixed Deposit Balance including accrued interest	3,541.75	5,799.03
	Payables	9.29	76.42
	Other receivables	0.39	0.38
	Capital contribution from Parent	3,367.53	2,350.88
II.	**Fellow Subsidiaries: (including entities that are also associates)**		
-	**Kotak Investment Advisors Limited**		
	Expenses reimbursement by Kotak Investment Advisors Limited	66.79	49.33
	Other receivables	5.89	4.92
-	**Kotak Mahindra (UK) Limited**		
	Guarantees Outstanding	-	-
-	**Kotak Mahindra Inc.**		
	Expenses reimbursement to Kotak Mahindra Inc	-	2.51
-	**Kotak Securities Limited**		
	Expenses reimbursement to Kotak Securities Ltd.	159.74	165.71
	Expenses reimbursement by Kotak Securities Ltd.	366.90	355.07
	Brokerage /fee/commission sharing of revenue- Payable	5,425.74	2,709.40
	Brokerage /fee/commission sharing of revenue- Receivable	1,099.75	361.15

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Particulars	31st March, 2021	31st March, 2020
Balance Outstanding as of end of year		
Payable	354.90	291.65
Other receivables	29.33	31.42
- **Kotak Mahindra Investments Limited**		
Interest received on Debentures	365.46	155.56
Debentures	-	4,988.12
Expenses reimbursement to Kotak Mahindra Investments Limited	15.22	9.85
Expenses reimbursement by Kotak Mahindra Investments Limited	39.01	3.44
Brokerage /fee/commission sharing of revenue- Payable	799.77	427.81
Balance Outstanding as of end of year		
Debenture Balance including accrued interest	5,093.86	5,140.44
Payable	27.33	-
Other receivables	20.79	-
- **Kotak Mahindra General Insurance Limited**		
Expenses reimbursement to Kotak Mahindra General Insurance Ltd.	8.00	8.08
Expenses reimbursement by Kotak Mahindra General Insurance Ltd.	-	0.12
- **Kotak Mahindra Prime Limited**		
Interest received on Debentures	505.17	887.28
Debentures	-	-
- **Balance Outstanding as of end of year**		
Debenture Balance including accrued interest	-	10,297.11
- **Kotak Mahindra Life Insurance Limited**		
Expenses reimbursement to Kotak Mahindra Life Insurance Ltd.	4.40	9.38
- **Key Management Personnel (KMP)***		
Srinivasan Ramesh	589.49	471.11
Sourav Mallik	576.60	464.94
- **Relative of Key Management Personnel of holding company***		
Jay Kotak	-	17.87
- **Post employment benefit plan**		
Kotak Mahindra Capital Company Limited employment gratuity fund (Refer note 23 for Details)		

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

iii. Terms and conditions of transactions with related parties

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 31. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Sr. No.	Particulars	As at 31-Mar-21	As at 31-Mar-20
	Contingent Liabilities:		
a)	Claims against the company not acknowledged as debt		
	Income Tax Demand (Unsecured) (Amount paid)	161.30	18.18
b)	Guarantees issued by KMCC's bankers for Kotak International Entities (Unsecured)		
	Issued to -		
	The Hong Kong and Shanghai Banking Corporation Limited - Singapore	-	-
	Total	**161.30**	**18.18**
	Commitments:		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;		
b)	Uncalled liability on shares and other investments partly paid		
	Capital Commitments not provided		
	Commitments to Venture Capital Fund (Unsecured)		
	India Growth Fund	16.71	16.71
	Total	**16.71**	**16.71**

NOTE 32 CORPORATE SOCIAL RESPONSIBILITY

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

Details of CSR expenditure

The amount spent during the year is as follows

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020
Contribution to Kotak Education Foundation	65.00	65.00
Contribution to Kotak Education Foundation (Project Excel)	20.00	
Accural towards unspent obligations in relation to:		
Ongoing project	112.00	
Other than ongoing project		
Total	**197.00**	**65.00**
Amount required to be spent as per Section 135 of the Act	196.79	130.26
Amount spent during the year on		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above	85.00	65.00

Details of ongoing CSR projects under Section 135(6) of the Act

(₹ in lakhs)

Balance as at 1st April 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at 31st March 2021	
With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	-	197.00	85.00	-	-	112.00

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

Details of CSR expenditure under section 135(5) of the act in respect of other than ongoing projects

Balance unspent as at 1st April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31st March 2021
-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1st April 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31st March 2021
-	-	-	-

NOTE 33 - DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

(₹ in lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.12	**1.62**
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The Company has requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act 2006.On the basis of confirmations from the suppliers, disclosures, if any, relating to unpaid amounts as at the year end together with interest paid/ payable as required under the said Act have been given.

Notes

Notes To the Standalone Financial Statements for the year ended 31st March 2021

NOTE 34 MATURITY ANALYSIS

(₹ in lakhs)

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	T`otal
ASSETS						
Financial assets						
Cash and cash equivalents	4,086.69	-	4,086.69	33.81	-	33.81
Bank Balance other than cash and cash equivalents	3,541.75	-	3,541.75	5,799.03	-	5,799.03
Receivables						
(I) Trade receivables	1,673.39	-	1,673.39	4,224.43	-	4,224.43
(II) Other receivables	5.88	-	5.88	36.34	-	36.34
Loans	0.31	-	0.31	1.76	-	1.76
Investments	35,323.06	264,028.03	299,351.09	12,841.56	245,913.43	258,754.99
Other Financial assets	0.25	-	0.25	5.68	-	5.68
Sub total	**44,631.33**	**264,028.03**	**308,659.36**	**22,942.62**	**245,913.43**	**268,856.04**
Non-financial assets						
Current Tax assets (Net)	-	755.22	755.22	-	905.44	905.44
Deferred Tax assets (Net)	-	549.31	549.31	-	135.51	135.51
Investment property	-	-	-	-	1,370.13	1,370.13
Property, Plant and Equipment	-	359.42	359.42	-	496.05	496.05
Other intangible assets	-	0.74	0.74	-	1.12	1.12
Other Non-financial assets	111.66	9.04	120.70	437.47	14.53	452.00
Sub total	**111.66**	**1,673.73**	**1,785.39**	**437.47**	**2,922.78**	**3,360.25**
Total Assets	**44,742.98**	**265,701.77**	**310,444.75**	**23,380.07**	**248,836.22**	**272,216.30**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	2.12	-	2.12	1.62	-	1.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	530.45	-	530.45	464.16	-	464.16
Other Financial liabilities	903.05	-	903.05	806.96	21.43	828.39
Sub total	**1,435.62**	**-**	**1,435.62**	**1,272.74**	**21.43**	**1,294.17**
Non-Financial liabilities						
Current tax liabilities (Net)	-	965.42	965.42	-	186.29	186.29
Provisions	1,038.27	632.26	1,670.53	655.65	540.47	1,196.12
Deferred tax liabilities (Net)	-	52,311.59	52,311.59	-	45,509.23	45,509.23
Other non-financial liabilities	540.71	-	540.71	285.71		285.71
Sub total	**1,578.98**	**53,909.27**	**55,488.25**	**941.36**	**46,235.99**	**47,177.35**
Total Liabilities	**3,014.60**	**53,909.27**	**56,923.87**	**2,214.10**	**46,257.42**	**48,471.52**

NOTE 35. The figures for the corresponding previous year have been regrouped/reclassfied wherever necessary, to make them comparable.

Kotak Mahindra Capital Company Limited
27BKC, Plot No. C-27, “G” Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Company Website: www.investmentbank.kotak.com
Kotak Mahindra Bank Website: www.kotak.com

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