Annual Report 2021-22

CHANGE

Kotak Mahindra Trusteeship Services Limited

Contents

Directors' Report

To the Members

KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED

The Directors present their Twenty Second Annual Report together with the Audited accounts of your Company for the financial year **("FY")** ended 31st March, 2022.

FINANCIAL SUMMARY/ HIGHLIGHTS

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 highlights of the Financial Results of the Company as prepared under Ind AS for the financial year ended 31st March, 2022 and 31st March, 2021 respectively, are as under:

(₹ In Lacs)

Particulars	2021-22	2020-21
Gross Income	1,230.16	978.08
Profit before tax	439.53	323.60
Tax Expense	106.91	84.27
Profit after tax	332.62	239.33
Total Comprehensive Income	331.25	235.98
Balance of Profit from previous years	1,714.22	1478.24
Amount available for appropriation	2,045.47	1714.22

OPERATIONS

The Estate Planning business of the Company is primarily engaged in rendering trusteeship services to private trusts set up for the clients. During the last year, the Estate Planning business achieved a topline growth of ~26.54%. Business outperformance has been primarily on account increased focus to work with client referrals & connect through external consultants. Additionally the impact of the Covid-19 pandemic in the minds of clients has also lead to some urgency and necessity of having succession planning in place.

This business segment continues to witness new entrants viz. wealth management outfits, CA firms , private client practice started by many law firms, however your Company's unique strength interalia being subsidiary of a RBI governed bank and experience of the team as compared to competition has enabled us to continuously grow and get marque clients in this practice area The opportunities in this space are significant given that an increasing number of families in India are looking to effectively transition their wealth to future generation and need solutions to ensure that the transition is seamless and to protect the wealth created over generations. The business focus this financial year has been on new acquisition through referral model but also on offering additional value added services like putting in place a holistic succession plan by assisting the client on Will creation and Asset Register etc Your Company continues to be well positioned to capitalize on this opportunity.

Your Company also acts as a trustee to 16 domestic venture capital, private equity and alternate investment funds. The investment manager of funds for which the Company acts as Trustee, has adopted comprehensive risk management process and procedures.

RISK MANAGEMENT

With respect to the Estate Planning business, while onboarding any client, granting any approval on any critical trust administration matters viz. settlement of immovable properties & shareholding of companies in the Trust, discretionary distribution from the trust and borrowing at trust levels etc , various board appointed internal committee/s examine various risks, pertaining to the matter and appropriate decisions are taken after evaluating all risk.. Additionally, the Company maintains records for each trust for the purpose of identification, assessment and management of the risks.

Impact of Covid-19 pandemic

COVID-19 has had an extraordinary impact on macroeconomic conditions in India and around the world post declaration of it as a pandemic by World Health Organisation in March 2020. Nation-wide lockdown in April-May 2020 followed by localised lockdown were imposed to restrict the spread in areas with significant number of cases. The restrictions were gradually lifted leading to improvement in economic activity. This was followed by two waves of COVID-19 with outbreak of new variants which led to the re-imposition of regional lockdowns which were subsequently lifted supported by administration of the COVID vaccines to a large population in the country.

India is emerging from the Covid-19 pandemic. The extent to which any new wave of COVID-19 pandemic will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

DIVIDEND

The Directors do not recommend any dividend for FY 2021-22.

STATE OF AFFAIRS OF THE COMPANY:

During the year under review, there has been no change in the nature of business of the Company.

DIRECTORS

Directors retiring by rotation

Mr. K M Gherda and Mr. Shivaji Dam retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Board Meetings

During FY 2021-22, 7 (Seven) meetings of the Board of directors were held.

Committee of Directors (COD)

The COD consists of (1) Mr. K. M. Gherda and (2) Mr. Chetan Desai.

During the year under review, 1 (one) COD meeting was held.

Nomination Committee

The Nomination Committee consists of (1) Mr. K. M. Gherda and (2) Mr. Shivaji Dam.

As there were no agenda required to be placed at the Committee no meeting was held during the year.

INTERNAL FINANCIAL CONTROLS

The Company has laid down set of standards, processes and structure which enables the Company to implement Internal Financial controls across the organization and that such controls are operating effectively.

During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

AUDITOR'S REPORT

The Auditor's Report on Audited Financial Statements for the Financial Year ended 31st March, 2022 issued by the, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Regn. No. 117366W/W-100018) Statutory Auditors of the Company is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

During the year under review, the Statutory Auditors have not reported any incident of fraud to the Board of Directors.

AUDITORS

The Company's auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Regn. No. 117366W/W-100018), were appointed as Statutory Auditors of the Company for a period of 5 years at the 19th Annual general Meeting of the Company held on 19th July, 2019 to hold office till the conclusion of 24th Annual General Meeting.

COMPLIANCES AS TO SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standards i.e. Secretarial Standard-1 and Secretarial Standard-2 applicable to the Company, during the Financial Year 2021-22.

EMPLOYEES

As on 31st March, 2022, the Company has 17 (Seventeen) employees.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in the annexure to the Directors' Report.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the representations of the operational management of Kotak Investment Advisors Limited, who is entrusted for the maintenance of the books of accounts of the Company, 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 financial year and of the profits of your Company for FY ended 31st March, 2022;

(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.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not made any loans/investment or given guarantee covered under Section 186 of the Companies Act, 2013, therefore no disclosure is required to be made in this regard.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company is not covered under the criteria of forming CSR Committee or making contributions towards CSR.

Your Company recognises that Corporate Social Responsibility (CSR) initiatives bring about a positive change in the lives of the communities and hence is geared up to undertake CSR as and when the provisions are applicable to the Company.

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions as required under Accounting Standards (IND AS) 24 are reported in Notes to Accounts.

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

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

Following are the foreign exchange earnings and outgo for the financial year ended on 31st March, 2022:

(i) Foreign exchange inflow: NIL

(ii) Foreign exchange outgo: ₹ 14,89,939.05/-

ANNEXURE

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

ACKNOWLEDGEMENTS

We thank our members, investors of funds for which the Company acts as trustee, Securities and Exchange Board of India and bankers for their continued support during FY 2021-22.

For and on behalf of the Board of Directors

K M Gherda	**Chetan Desai**
Chairman	Director
(DIN: 00237125)	(DIN: 03506544)

Place : Mumbai
Date : 30th May, 2022

Independent Auditors' Report

To

The Members of

KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Kotak Mahindra Trusteeship Services Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and 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, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financia 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid 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 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to accounts (Refer Note 37 to the standalone financial statements), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts (Refer Note 37 to the standalone financial statements), no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

Pallavi Sharma
(Partner)
Membership No. 113861
UDIN 22113861AJWXHG9343

Place : Mumbai
Date : 30th May, 2022

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 of Kotak Mahindra Trusteeship Services Limited)

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 Trusteeship Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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)

Pallavi Sharma
(Partner)
Membership No. 113861
UDIN: 22113861AJWXHG9343

Place : Mumbai
Date : 30th May, 2022

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 of Kotak Mahindra Trusteeship Services Limited on the financial statements of the Company for the year ended 31 March 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification

(c) The Company does not have any immovable properties and hence reporting under clause (i) (c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has made investments in mutual funds (other parties). The Company has not made any investments in companies, firms, Limited Liability Partnerships. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(b) The Company has made investments in units of mutual funds (other parties) during the year and the investment made are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(c) The Company has not provided any loans or advances in the nature of loans, and hence reporting under clause (iii)(c), (d), (e), and (f) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits.

Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income- tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of the Employees’ State Insurance Act, Sales Tax, Service Tax, duty of Customs, duty of Excise and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(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 Section 177 and 188 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 as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the draft internal audit reports issued to the Company during the year and covering the period from April 2021 to December 2021 which issued after the balance sheet date for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Pallavi Sharma
(Partner)
Membership No. 113861
UDIN: 22113861AJWXHG9343

Place : Mumbai
Date : 30th May, 2022

Balance Sheet

as at 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	37.93	29.96
(b) Other Intangible assets	5	-	-
(c) Financial Assets	6	0.10	0.10
(d) Non current tax assets	7	92.01	3.44
(e) Deferred tax assets (Net)	25	23.26	30.37
Total Non-Current Assets		**153.30**	**63.87**
Current Assets			
(a) Financial Assets			
(i) Current Investments	8	1,237.14	-
(ii) Trade receivables	9	316.45	315.00
(iii) Cash and cash equivalents	10	108.11	1,352.22
(iv) Bank balance other than (iii) above	11	1,215.00	856.36
(v) Other current financial assets	12	22.88	-
(b) Other current assets	13	6.63	1.44
Total Current Assets		**2,906.21**	**2,525.02**
Total Assets		**3,059.51**	**2,588.89**
LIABILITIES AND EQUITY			
EQUITY			
(a) Equity Share capital	14	8.96	8.96
(b) Other Equity	15	2,664.00	2,328.01
Total Equity		**2,672.96**	**2,336.97**
LIABILITIES			
Non-Current Liabilities			
Long term provisions	16	90.70	64.03
Total Non-Current Liabilities		**90.70**	**64.03**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	17	42.70	38.61
(b) Short term provisions	18	39.70	40.04
(c) Current tax liabilities (Net)	19	88.39	27.77
(d) Other current liabilities	20	125.06	81.47
Total Current Liabilities		**295.85**	**187.89**
Total Equity and Liabilities		**3,059.51**	**2,588.89**
Significant Accounting Policies and Notes to Accounts	3-37		

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Pallavi Sharma
Partner
Membership No.113861

Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

K M Gherda
Chairman
DIN: 00237125

Mumbai
Date: 30th May, 2022

Chandrashekhar Sathe
Director
DIN No: 00017605

Mumbai
Date: 30th May, 2022

Profit and Loss Account

for the year ended 31st March 2022

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from Operations	21	1,131.30	895.00
II	Other Income	22	98.86	83.08
III	**Total Income (I+II)**		**1,230.16**	**978.08**
IV	**EXPENSES**			
	Employee benefits expenses	23	534.73	472.12
	Depreciation and amortization	4 & 5	15.98	12.24
	Other expenses	24	239.92	170.12
	Total Expenses (IV)		**790.63**	**654.48**
V	**Profit before tax (III-IV)**		**439.53**	**323.60**
VI	**Tax expense**	25		
	(1) Current tax		104.00	93.76
	(2) Current tax pertaining to prior periods		(4.66)	(2.27)
	(3) Deferred tax charge/(credit)		7.57	(7.22)
	Total tax expense (1+2+3)		**106.91**	**84.27**
VII	**Profit for the period (V-VI)**		**332.62**	**239.33**
VIII	**Other comprehensive income**	25		
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of defined benefit liability		(1.83)	(4.47)
	Income Tax relating to Items that will not be reclassified to Profit or Loss		0.46	1.12
	Total Other Comprehensive Income		**(1.37)**	**(3.35)**
IX	**Total Comprehensive Income for the period (VII+VIII)**		**331.25**	**235.98**
X	**Earnings per equity share**	26		
	Basic (₹)		371.15	267.05
	Diluted (₹)		371.15	267.05
Significant Accounting Policies and Notes to Accounts		3-37		

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Pallavi Sharma
Partner
Membership No.113861

Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

K M Gherda
Chairman
DIN: 00237125

Mumbai
Date: 30th May, 2022

Chandrashekhar Sathe
Director
DIN No: 00017605

Mumbai
Date: 30th May, 2022

Cash Flow Statement

for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	439.53	323.60
Adjustments:		
(a) Depreciation / amortization	15.98	12.24
(c) Net Gain on Fair Value Changes of Investments	(37.14)	-
(c) Impairment Loss Allowance	3.02	5.97
(d) Sundry balances written back	(3.54)	-
(e) Share based payments	4.74	16.28
(f) Actuarial gain/loss	(1.83)	(4.47)
(g) Interest income	(58.18)	(83.08)
Operating profit before working capital changes	**362.58**	**270.54**
Working capital changes		
(a) Increase in trade payables	4.09	8.56
(b) (Decrease)/ Increase in other short term provisions	(0.34)	10.50
(c) Increase in other current liabilities	43.59	41.99
(d) Increase in other long term provisions	26.68	13.60
(e) Increase in trade receivables	(1.83)	(119.15)
(f) Increasein other financial assets	(22.88)	-
(g) Increase in other current assets	(5.19)	(0.04)
Cash generated from operations	**406.70**	**226.00**
Income tax paid (net of refunds)	(127.30)	(81.47)
Net cash flows from operating activities (A)	**279.40**	**144.53**
CASH FLOW FROM INVESTING ACTIVITIES		
(a) Deposits placed with bank (other than Cash & Cash equivalents)	(357.22)	(11,026.20)
(b) Proceeds from fixed deposits (other than Cash & Cash equivalents)	-	12,109.28
(c) Purchase of Property, Plant & Equipment	(23.95)	(1.48)
(d) Purchase of investments	(1,200.00)	-
(e) Interest received	57.66	82.33
Net cash flows (used in)/ generated from investing activities (B)	**(1,523.51)**	**1,163.93**
Net increase in cash and cash equivalents (A+B)	**(1,244.11)**	**1,308.46**
Cash and cash equivalents at the beginning of the year	1,352.22	44.30
Cash and cash equivalents at the end of the year	**108.11**	**1,352.76**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 10)		
Balances with banks in current account	4.74	17.58
Balance in fixed deposits with original maturity less than 3 months	103.39	1,335.18
	108.13	**1,352.76**
Less: Impairment loss allowance	(0.02)	(0.54)
Cash and cash equivalents as restated as at the year end	**108.11**	**1,352.22**

See accompanying Significant Policies and Notes forming part of the Financial Statements.

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

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Pallavi Sharma
Partner
Membership No.113861

Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

K M Gherda
Chairman
DIN: 00237125

Mumbai
Date: 30th May, 2022

Chandrashekhar Sathe
Director
DIN No: 00017605

Mumbai
Date: 30th May, 2022

Statement of Changes in Equity

for the year ended 31st March 2022

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the reporting period	8.96	8.96
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**8.96**	**8.96**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Securities premium	Capital contribution from parent	Retained earnings	
Balance as at 1st April, 2020	**496.03**	**101.48**	**1,478.24**	**2,075.75**
Profit for the year	-	-	239.33	239.33
Other comprehensive income for the year (net of tax)	-	-	(3.35)	(3.35)
Total Comprehensive Income for the year ended 31st March, 2021	**-**	**-**	**235.98**	**235.98**
Share based payments	-	16.28	-	16.28
Balance as at 31st March, 2021	**496.03**	**117.76**	**1,714.22**	**2,328.01**
Profit for the year	-	-	332.62	332.62
Other comprehensive income for the year (net of tax)	-	-	(1.37)	(1.37)
Total Comprehensive Income for the year ended 31st March, 2022	**-**	**-**	**331.25**	**331.25**
Share based payments	-	4.74	-	4.74
Balance as at 31st March, 2022	**496.03**	**122.50**	**2,045.47**	**2,664.00**

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
Firm's Registration No. 117366W/W-100018

Pallavi Sharma
Partner
Membership No.113861

Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

K M Gherda
Chairman
DIN: 00237125

Mumbai
Date: 30th May, 2022

Chandrashekhar Sathe
Director
DIN No: 00017605

Mumbai
Date: 30th May, 2022

Schedules

to the Financial Statements for the year ended 31st March, 2022

1. CORPORATE INFORMATION

Kotak Mahindra Trusteeship Services Limited ('the Company') is a company domiciled in India and incorporated on 31st March, 2000, with its registered office situated at 27BKC, 6th Floor, Plot No. C-27, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400051, India.

The Company acts as trustee to domestic venture capital / alternate investment funds/ private equity and realty funds operating in the alternate assets domain. The estate planning business of the Company comprises, forming trusts for various clients and rendering trusteeship services to trusts which have been set up for the clients.

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 periods presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Director's on 30th May, 2022.

B. Impact of Covid-19 pandemic

COVID-19 had an extraordinary impact on macroeconomic conditions in India and around the world post declaration of it as a pandemic by World Health Organisation in March 2020. Nation-wide lockdown in April-May 2020 followed by localised lockdown were imposed to restrict the spread in areas with significant number of cases. The restrictions were gradually lifted leading to improvement in economic activity. This was followed by two waves of COVID-19 with outbreak of new variants which led to the re-imposition of regional lockdowns which were subsequently lifted supported by administration of the COVID vaccines to a large population in the country.

India is emerging from the Covid-19 pandemic. The extent to which any new wave of COVID-19 pandemic will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

C. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

D. Functional and presentation currency

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

E. Basis of measurement

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

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

F. Use of estimates and judgements

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

Judgement, estimates and assumptions are required in particular for:

I. Revenue

The Company acts as a trustee to domestic venture capital / alternate investment funds/ private equity and realty funds operating in the alternate assets domain and provides estate planning services.

(a) Identifying performance obligation in the contract:

The estate planning services include different services bundled together in one contract. The Company forms trusts for various clients and renders trusteeship services to trusts. The Company determined that these services are capable of being distinct because the Company can provide these services on stand-alone basis and customer can benefit from those services on its own.

Schedules

to the Financial Statements for the year ended 31st March, 2022

(b) Recognition of revenue over time or at a point in time:

Where the Company acts as a trustee for the domestic venture capital / alternate investment funds / private equity / realty funds and family trusts, it recognises revenue from trusteeship services over time because the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company recognises revenue from estate planning services (other than acting as a trustee/ trust manager for family trusts) at a point in time because control is transferred once the agreed service is completed by the Company and that is the time when the customer benefits from the Company's service.

II. Determination of estimated useful lives of property, plant and 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 29.

IV. Recognition of deferred tax assets

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

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Company initially measures the cost of cash-settled transactions with employees using a Black-Scholes model. Key assumptions made include 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 30.

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. For further details about determination of fair value please refer Note 31.

Schedules

to the Financial Statements for the year ended 31st March, 2022

IX. Business model assessment

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

X. Effective Interest Rate (EIR) method

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

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

XI. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (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 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. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

XIV. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

XV. Estimation uncertainty relating to the global health pandemic on COVID-19

a. Revenue recognition

The Company acts as trustee to domestic venture capital / alternate investment funds/ private equity and realty funds and renders trusteeship services to trusts and does not foresee any immediate impact due to COVID-19. However, impact assessment due to COVID-19 is a continuous process given the uncertainties associated with its nature and duration.

b. Impairment of Non-Financial Assets

The Company basis their assessment believes that recoverability and fair value of non-financial assets is not impacted by COVID-19 pandemic after assessing discount rate, forecasts and budgets for future cash flows. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

Schedules

to the Financial Statements for the year ended 31st March, 2022

c. Impairment on Financial Assets

In assessing the trade receivables & other financial assets, the Company has considered internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts. Basis the above information, the Company has assessed the staging criteria, macro-economic factors and loss given default. Accordingly, computed the impairment on the financial assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

d. Fair value of financial instruments

Fair value hierarchy of financial assets 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. 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 fair value the financial assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

G. Adoption of new and revised standards

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after 1st April, 2021 (i.e. year ending 31st March, 2022).

I. Interest Rate Benchmark Reform – Amendments to Ind AS 107 and Ind AS 109

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from 1st April, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from 1st April, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

- Changes to contractual cash flows: When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.
- Hedge accounting: The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The Company does not expect the amendment to have any significant impact in its financial statements.

II. Covid-19-related Rent Concessions – Amendments to Ind AS 116

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously, an amendment to Ind AS 116, Leases provided lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. The relief was originally limited to reduction in lease payments that were due on or before 30th June, 2021. However, it was subsequently extended to 30th June, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

H. New amendments issued but not effective:

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

I. Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Schedules

to the Financial Statements for the year ended 31st March, 2022

II. Ind AS 16 – Property, Plant and Equipment

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

III. Ind AS 37 – Provisions, Contingent Liabilities & Contingent Assets

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

IV. Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

V. Ind AS 101, First-time adoption

The amendment clarifies that a subsidiary which becomes a first-time adopter after its parent may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to Ind ASs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture. The Company does not expect the amendment to have any significant impact in its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to standalone statement of profit and loss during the reporting period in which they are incurred.

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
Motor Vehicles	4 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.

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to the Financial Statements for the year ended 31st March, 2022

B. Intangible assets

i. Recognition and measurement

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Software	3 years

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

C. Leases

At the inception of the contract, company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if it conveys the use of and identifies asset for a period 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 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.

As Lessee

The Company has used practical expedients while applying Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of assets and leases for which the underlying asset is of low value on a lease-by-lease basis. The company recognises the lease payments associated with these leases as on expense in statement of profit and loss over the lease term. The related cash flow are classified as operating activities.

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:

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

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

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

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

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

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.

Revenue from trusteeship and estate planning services

Where the Company acts as a trustee for the domestic venture capital / private equity / realty funds and family trusts, revenue from trusteeship services is recognised as and when the services are rendered.

The Company recognises revenue from estate planning services (other than acting as a trustee/ trust manager for family trusts) as and when specified service is completed. The Company allocates transaction price to separate performance obligations identified in the contract.

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to the Financial Statements for the year ended 31st March, 2022

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent.

A contract asset is the right to consideration in exchange for services transferred to the customer. If the services are transferred to the customers before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest income on financial assets is recognized on an accrual basis using effective interest method.

Dividend Income

Dividend income is recognised in the Statement of Profit and Loss when the right to receive the dividend is established.

E. Income Tax

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

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

F. Employee benefits

Defined Contribution Plan

Provident Fund

The Company's contribution to the Government Provident Fund is considered as defined contribution plan and charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no further obligations.

Defined Benefit Plan

Gratuity

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

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to the Financial Statements for the year ended 31st March, 2022

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in OCI in the year they are incurred. Interest expense on the defined liability is computed by applying the discount rate, used to measure the defined liability at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent period.

Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employees performs the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

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.

G. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. 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.

H. 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.

I. Provisions and contingent liabilities

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

J. 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 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 profit or 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

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to the Financial Statements for the year ended 31st March, 2022

recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Stock Appreciation Rights ("SARs") - Cash Settled

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

K. 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 34.

L. Financial Instruments

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

Financial assets

Recognition and Initial measurement

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

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

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

Classification

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

Business model assessment

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

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile,
- 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 this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Subsequent measurement

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

Financial assets at amortised cost

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

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

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

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

Financial asset at fair value through Other Comprehensive Income (FVOCI) – Debt Investments

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at fair value. Interest income is recognised using the Effective Interest Rate (EIR) method. The impairment losses, if any, are recognized through Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

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

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

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

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 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 Statement of Profit and Loss. Dividends are recognised in the Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities 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.

M. 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, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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

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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.

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

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

  ECL has been estimated by determining the probability of default ('PD'), Exposure At Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

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

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

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 recognises 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 expected loss rates are based on the payment profiles of the trusteeship services and estate planning services provided over the historic period before the reporting date and the corresponding historic credit losses experienced within this period.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at 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 have 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.

N. Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in 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.

O. Derecognition of financial assets and financial liabilities

Financial Assets

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

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

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

Financial liabilities

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

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to the Financial Statements for the year ended 31st March, 2022

P. Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

Q. Offsetting financial instruments

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

R. Measurement of fair values

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in mutual funds.

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

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

S. 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.

T. 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.

U. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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to the Financial Statements for the year ended 31st March, 2022

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Vehicles	Computers	Total
Balance as at 1st April, 2020	**46.84**	**0.35**	**47.19**
Additions during the year	-	1.48	1.48
Disposals during the year	-	-	-
Balance as at 31st March, 2021	**46.84**	**1.83**	**48.67**
Accumulated depreciation as at 1st April, 2020	**6.32**	**0.15**	**6.47**
Depreciation for the year	11.70	0.54	12.24
Disposals during the year	-	-	-
Balance as at 31st March, 2021	**18.02**	**0.69**	**18.71**
Net carrying amount as at 31st March, 2021	**28.82**	**1.14**	**29.96**
Balance as at 1st April, 2021	**46.84**	**1.83**	**48.67**
Additions during the year	15.56	8.39	23.95
Disposals during the year	-	-	-
Balance as at 31st March, 2022	**62.40**	**10.22**	**72.62**
Accumulated depreciation as at 1st April, 2021	**18.02**	**0.69**	**18.71**
Depreciation for the year	12.67	3.31	15.98
Disposals during the year	-	-	-
Balance as at 31st March, 2022	**30.69**	**4.00**	**34.69**
Net carrying amount as at 31st March, 2022	**31.71**	**6.22**	**37.93**

Impairment loss and reversal of impairment loss

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 5 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software	Total
Balance as at 1st April, 2020	**0.50**	**0.50**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2021	**0.50**	**0.50**
Accumulated amortisation	**0.50**	**0.50**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2021	**0.50**	**0.50**
Net carrying amount as at 31st March, 2021	**-**	**-**
Balance as at 1st April, 2021	**0.50**	**0.50**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2022	**0.50**	**0.50**
Accumulated amortisation	**0.50**	**0.50**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2022	**0.50**	**0.50**
Net carrying amount as at 31st March, 2022	**-**	**-**

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for intangible assets

NOTE 6 NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits		
Unsecured, considered good	0.10	0.10
Total	**0.10**	**0.10**

NOTE 7 NON CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax	92.01	3.44
(Net of Provision for Taxation: ₹ 101.81 lakhs; Previous Year: ₹ 185.13 lakhs)		
Total	**92.01**	**3.44**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Investments carried at Fair value Through Profit and Loss		
Kotak Equity Arbitrage Direct-Growth 3,906,476.48 units; NAV per unit - ₹ 31.67; (Previous year Nil)	1,237.14	-
Total	**1,237.14**	**-**

NOTE 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good (Refer Note 31)	309.68	294.91
Significant increase in credit risk (Refer Note 31)	12.18	11.24
Credit Impaired (Refer Note 31)	-	19.09
Debts due from Directors	-	0.59
Sub total	**321.86**	**325.83**
Less: Impairment loss allowance	(5.41)	(10.83)
Total	**316.45**	**315.00**

AGEING SCHEDULE AS ON 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	As at 31st March, 2022						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	309.68	-	-	-	-	309.68
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	12.18	-	-	-	-	12.18
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	-	**321.86**	**-**	**-**	**-**	**-**	**321.86**

AGEING SCHEDULE AS ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	As at 31st March, 2021						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	295.50	-	-	-	-	295.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	11.24	-	-	-	-	11.24
(iii) Undisputed Trade Receivables - Credit Impaired	-	1.89	-	17.20	-	-	19.09
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**-**	**308.63**	**-**	**17.20**	**-**	**-**	**325.83**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks in current account	4.74	17.58
Balance in fixed deposits with banks having original maturity of less than 3 months	103.39	1,335.18
Sub total	**108.13**	**1,352.76**
Less: Impairment loss allowance	(0.02)	(0.54)
Total	**108.11**	**1,352.22**

NOTE 11 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance in fixed deposits with banks having original maturity of more than 3 months but less than 12 months	1,215.24	856.70
Sub total	**1,215.24**	**856.70**
Less: Impairment loss allowance	(0.24)	(0.34)
Total	**1,215.00**	**856.36**

NOTE 12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances to employees - considered good	0.26	-
Other Receivable (Refer Note 27) - considered good	22.98	-
Less: Impairment loss allowance	(0.36)	-
Total	**22.88**	**-**

NOTE 13 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Expenses	6.63	1.44
Total	**6.63**	**1.44**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
1,00,000 (31st March, 2021: 1,00,000) equity shares of ₹ 10 each with voting rights	10.00	10.00
Issued, subscribed and paid up		
89,619 (31st March, 2021: 89,619) equity shares of ₹ 10 each with voting rights	8.96	8.96

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

Particulars	No. of shares	` in Lakhs
Equity shares of ₹ 10 each, fully paid-up		
As at 1st April, 2020	89,619	8.96
Add/(less) : Movement during the year	-	-
As at 31st March, 2021	89,619	8.96
Add/(less) : Movement during the year	-	-
As at 31st March, 2022	**89,619**	**8.96**

b. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding company

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited				
(of the above 60 Shares are held jointly with its nominees)	89,619	100.00%	89,619	100.00%

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (with nominees)	89,619	100.00%	89,619	100.00%

e. Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Promoter name	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	% of total shares	Number of Shares	% of total shares
Kotak Mahindra Bank Limited (with nominees)	89,619	100.00%	89,619	100.00%
	89,619.00	**100.00%**	**89,619.00**	**100.00%**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium	496.03	496.03
Contribution from Parent	122.50	117.76
Retained Earnings	2,045.47	1,714.22
Total	**2,664.00**	**2,328.01**

Notes

13 (a) Nature and purpose of reserves

Securities Premium

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Contribution from Parent

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 employees of the company.

Retained Earnings

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

13 (b) Other equity movement

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium		
Opening balance	496.03	496.03
Closing balance	**496.03**	**496.03**
Contribution from Parent		
Opening balance	117.76	101.48
Addition during the year	4.74	16.28
Closing balance	**122.50**	**117.76**
Retained Earnings		
Opening balance	1,714.21	1,478.24
Movement during the year:		
Profit for the year	332.62	239.33
Other comprehensive income for the year (net of tax)	(1.37)	(3.35)
Closing balance	**2,045.46**	**1,714.21**

NOTE 16 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (Refer Note 29)	42.94	40.33
Compensated Absences	19.36	11.43
Stock Appreciation Rights (Refer Note 30)	23.31	10.89
Others	5.09	1.38
Total	**90.70**	**64.03**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 17 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	42.70	38.61
Total	**42.70**	**38.61**

AGEING SCHEDULE AS ON 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	As at 31st March, 2022						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues -Others	-	-	42.70	-	-	-	42.70
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**-**	**-**	**42.70**	**-**	**-**	**-**	**42.70**

AGEING SCHEDULE AS ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	As at 31st March, 2021						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues -Others	-	-	38.61	-	-	-	38.61
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**-**	**-**	**38.61**	**-**	**-**	**-**	**38.61**

NOTE 18 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (Refer Note 29)	16.61	9.72
Compensated Absences	7.74	5.57
Stock Appreciation Rights (Refer Note 30)	9.55	24.24
Others	5.80	0.51
Total	**39.70**	**40.04**

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to the Financial Statements for the year ended 31st March, 2022

NOTE 19 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Tax	88.39	27.77
(Net of Advance Tax ₹ 257.07 lakhs ; Previous Year ₹ 134.45 lakhs)		
Total	**88.39**	**27.77**

NOTE 20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
GST liability	49.34	44.58
Statutory dues payable	23.09	14.03
Employee Benefits payable	52.63	22.86
Total	**125.06**	**81.47**

NOTE 21 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Trusteeship fees	1,131.30	895.00
Total	**1,131.30**	**895.00**

NOTE 22 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest income on fixed deposits with bank	58.18	83.08
Net gain on change in fair value of Investment in Mutual funds units (classified at FVTPL)	37.14	-
Sundry balances written back	3.54	-
Total	**98.86**	**83.08**

NOTE 23 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages	547.96	396.33
Contribution to provident and other funds	24.84	18.17
ESOP (Refer note 30)	10.57	16.28
Stock Appreciation Rights (Refer note 30)	28.22	35.03
Gratuity (Refer note 29)	7.89	5.87
Staff welfare expenses	0.20	0.44
Recovery of expenses	(84.95)	-
Total	**534.73**	**472.12**

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 24 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Rent (Refer note 27 and 28)	39.76	43.40
Travelling and conveyance	1.10	0.11
Legal, professional and consultancy charges	38.65	28.52
Rates and taxes	0.06	0.04
Directors fees and expenses *	22.40	17.60
Payment to auditors		
As Statutory Audit Fees	5.00	3.50
Royalty Expenses	5.00	5.00
Common Establishment Expenses	102.28	38.73
Impairment loss/ (Reversal) on:		
Trade receivables	3.91	15.78
Bank balances	(0.62)	(0.37)
Other financial asset	0.36	-
Miscellaneous expenses	22.02	17.81
Total	**239.92**	**170.12**

* includes commission of ₹ 12 lakhs (Previous year ₹ 8 lakhs) payable to directors subject to approval of shareholders in general meeting

NOTE 25 TAX EXPENSE

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current tax expense		
Current period	104.00	93.76
Changes in estimated related to prior years	(4.66)	(2.27)
Total current tax expense (A)	**99.34**	**91.49**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	7.57	(7.22)
Reduction in tax rate		
Deferred tax expense (B)	7.57	(7.22)
Tax expense for the year (A)+(B)	**106.91**	**84.27**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022			For the year ended 31st March, 2021		
	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)	(1.83)	0.46	(1.37)	(4.47)	1.12	(3.34)
Total	**(1.83)**	**0.46**	**(1.37)**	**(4.47)**	**1.12**	**(3.34)**

Schedules

to the Financial Statements for the year ended 31st March, 2022

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit before tax	439.53	323.60
Tax Rate	25.17%	25.17%
Tax using applicable tax rate	**110.63**	**81.44**
Tax effect of:		
Amounts which are not deductible for taxable income	0.95	4.10
Others	(4.67)	(1.27)
Total income tax expense	**106.91**	**84.27**

NOTE 25 TAX EXPENSE (CONTINUED)

(₹ in Lakhs)

Particulars	As at 31st March, 2022				
	Net opening balance	Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset/ (liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	1.46	1.48	-	2.94	2.94
Fair value of Investments	-	(9.35)	-	(9.35)	(9.35)
Employee benefits	25.96	1.74	0.46	28.16	28.16
Impairment Loss Allowances	2.95	(1.44)	-	1.51	1.51
Total	**30.37**	**(7.57)**	**0.46**	**23.26**	**23.26**

(d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2021				
	Net opening balance	Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset/ (liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	0.39	1.07	-	1.46	1.46
Fair value of Investments	-	-	-	-	-
Employee benefits	19.94	4.89	1.12	25.96	25.96
Impairment Loss Allowances	1.45	1.50	-	2.95	2.95
Deferred income	0.24	(0.24)	-	-	-
Total	**22.02**	**7.22**	**1.12**	**30.37**	**30.37**

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.

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to the Financial Statements for the year ended 31st March, 2022

NOTE 26 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, 2022	For the year ended 31st March, 2021
A)	Net profit attributable to equity holders (₹ In lakhs)	332.62	239.33
B)	Weighted average number of ordinary shares	89,619	89,619
C)	Face value per share (INR)	10	10
D)	Basic earnings per share (INR)	371.15	267.05
E)	Diluted earnings per share (INR)	371.15	267.05

NOTE 27 RELATED PARTY DISCLOSURES

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

A. Names of Related Parties

(₹ in Lakhs)

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
a)	**Holding company:**		
	Kotak Mahindra Bank Limited	India	100.00%
	Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 25.98 % of the Equity Share Capital and 17.27 % of the paid-up share capital of Kotak Mahindra Bank Limited as on 31st March, 2022.		
b)	**Fellow Subsidiaries with whom transactions have taken place during the year**		
	- Kotak Mahindra General Insurance Company Limited	India	
	- Kotak Investment Advisors Limited	India	
	- Kotak Mahindra Life Insurance Company Limited	India	
c)	**Key Management Personnel/ Directors and the related entities**		
	Key Management Personnel/ Directors:		
	- K M Gherda - Director		
	- Shivaji Dam - Director -		
	- Chandrashekhar Sathe - Director		
	- Tushar Mavani - Director		
	- Chetan Desai - Director		
	Related entities of Key Management Personnel/ Directors:		
	- Chandrashekhar Sathe Family Trust		
d)	**Key Management Personnel/Director of holding company and their related entity with whom transactions have taken place during the year:**		
	- Dipak Gupta		
	- KVS Manian		
	- Brij Disa Parthav Trust		
	- Brij Disa Arnav Trust		
	- Manians Family Trust		
	- Manians Family Trust II		

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B. Transactions with key management personnel

i. Key management personnel compensation

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i.	Directors Remuneration	22.40	17.60

ii. Transactions with related parties

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

(₹ in Lakhs)

Nature of Transaction	Year ended 31st March	Holding Company	Fellow Subsidiary Kotak Mahindra Life Insurance Company Limited	Fellow Subsidiary Kotak Investment Advisors Limited	Fellow Subsidiary Kotak Mahindra General Insurance Company Limited	Key Management Personnel/ Directors and related entities	Key Management Personnel/ Directors of holding company and related entities	Total
Interest on Fixed Deposits	2022	58.18	-	-	-	-	-	58.18
	2021	83.08	-	-	-	-	-	83.08
Fixed Deposits Placed	2022	7,621.00	-	-	-	-	-	7,621.00
	2021	12,360.21	-	-	-	-	-	12,360.21
Fixed Deposits Redeemed	2022	8,494.78	-	-	-	-	-	8,494.78
	2021	12,109.28	-	-	-	-	-	12,109.28
Other Operating Expenses	2022	11.57	-	-	-	-	-	11.57
	2021	11.57	-	-	-	-	-	11.57
Rent Expenses	2022	39.76	-	-	-	-	-	39.76
	2021	43.40	-	-	-	-	-	43.40
Royalty Expenses	2022	5.00	-	-	-	-	-	5.00
	2021	5.00	-	-	-	-	-	5.00
Insurance Premium paid	2022	-	-	-	0.43	-	-	0.43
	2021	-	-	-	0.28	-	-	0.28
Common Establishment Expenses/ Reimbursement of Expenses paid	2022	12.74	-	90.24	-	-	-	102.98
	2021	15.14	-	30.67	-	-	-	45.81
Reimbursement of expenses from other companies	2022	-	-	84.95	-	-	0.05	85.00
	2021	-	-	1.75	-	-	-	1.75
Reimbursement of incentive cost of employee	2022	10.00						10.00
	2021							-
Fixed Asset Transfer	2022	-	-	-	-	-	-	-
	2021	1.48	-	-	-	-	-	1.48
ESOP Expense	2022	10.57	-	-	-	-	-	10.57
	2021	16.28	-	-	-	-	-	16.28
Directors Remuneration	2022	-	-	-	-	22.40	-	22.40
	2021	-	-	-	-	17.60	-	17.60
Trusteeship Fees Income	2022	-	-	-	-	1.00	14.34	15.34
	2021	-	-	-	-	1.00	6.21	7.21
Balance Outstanding								
Trade Receivables	2022	-	-	-	-	0.53	2.95	3.48
	2021	-	-	-	-	0.59	5.38	5.97
Other Current Assets	2022	-	1.86	-	0.15	-	-	2.01
	2021		-	-	0.14	-	-	0.14
Other Receivable	2022	-	-	22.62	-	-	-	22.62
	2021	-	-	-	-	-	-	-
Bank balances	2022	4.74	-	-	-	-	-	4.74
	2021	17.58	-	-	-	-	-	17.58
Fixed Deposit	2022	1,318.38	-	-	-	-	-	1,318.38
	2021	2,191.02	-	-	-	-	-	2,191.02
Trade payables	2022	3.95	-	-	-		-	3.95
	2021	2.13	-	6.91	-	-	-	9.04
Capital Contribution from Parent	2022	122.50	-	-	-	-	-	122.50
	2021	117.76	-	-	-	-	-	117.76

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to the Financial Statements for the year ended 31st March, 2022

iii. Terms and conditions of transactions with related parties

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

NOTE 28 LEASE DISCLOSURES

Operating Lease as Lessee:

The Company has taken office premises under operating lease whose period is 12 months and cancellable and renewable at the option of the Company or lessor.

Amounts recognised in profit or loss

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(A)	Lease expense	39.76	43.40
	Total	**39.76**	**43.40**

NOTE 29 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. The Company recognised ₹ 24.84 lakhs (previous year ₹ 18.17 lakhs) for provident fund contributions in the Statement of Profit and Loss."

(ii) Defined Benefit Plan:

Gratuity

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of unfunded defined benefit obligation (A)	59.55	50.05
Fair value of plan assets (B)	-	-
Net (asset) / liability recognised in the Balance Sheet (A-B)	59.55	50.05

B. Movement in net defined benefit (asset)/ liability

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

(₹ in Lakhs)

Particulars	Net defined benefit (asset) / liability	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	50.05	35.63
Included in profit or loss		
Current service cost	5.09	3.79
Past service cost		-
Interest cost	2.80	2.08
	57.94	**41.50**

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to the Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Net defined benefit (asset) / liability	
	As at 31st March, 2022	As at 31st March, 2021
Included in OCI		
Remeasurement loss/ (gain):		
Actuarial loss/ (gain) arising from:		
Demographic assumptions	-	-
Financial assumptions	(0.64)	0.67
Experience adjustment	2.47	3.80
Actual return on plan assets less interest on plan assets	-	-
	1.83	**4.47**
Other		
Contributions paid by the employer		
Benefits paid	(0.92)	(1.07)
Liability assumed on acquisition	0.70	5.15
Closing balance	**59.55**	**50.05**
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	59.55	50.05

C. Defined benefit obligations

i. Actuarial assumptions

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	6.70%	6.20%
Salary escalation rate	12.00% until year 1 inclusive, then 7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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.

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	(1.72)	1.84	(1.64)	1.75
Future salary growth (50 bps movement)	0.61	(0.60)	0.63	(0.65)

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.

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iii. Risk Exposure

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

D. Expected Future Cash Flows

Expected contribution:

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

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

Expected future benefit payments:

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

Maturity profile	(₹ in lakhs)
Expected benefits for Year 1	16.62
Expected benefits for Year 2	6.19
Expected benefits for Year 3	5.37
Expected benefits for Year 4	5.12
Expected benefits for Year 5	4.70
Expected benefits for Year 6	4.33
Expected benefits for Year 7	4.04
Expected benefits for Year 8	3.67
Expected benefits for Year 9	3.44
Expected benefits for Year 10 and above	44.88

E. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized ₹ 9.72 lakhs (Previous year : ₹ 4.46 lakhs) for Compensated Absences in the Statement of Profit and Loss.

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Group is given below:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total actuarial liability	27.10	17.00
Assumptions :		
Discount rate	6.70%	6.20%
Salary escalation rate	12.00% until year 1 inclusive, then 7.00%	7.00%

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NOTE 30 SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, ("the Bank"), the shareholders of the Bank had unanimously passed Special Resolutions on 5th July, 2007, 21st August, 2007 and 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

(a) Kotak Mahindra Equity Option Scheme 2007; and

(b) Kotak Mahindra Equity Option Scheme 2015

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

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

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

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

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

As at 31st March, 2022

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOPSCHEME2015SR14	18-May-18	Equity	2,324	31-Dec-21	4.12
ESOPSCHEME2015SR19	20-May-19	Equity	651	31-Oct-21	2.95
ESOPSCHEME2015SR19	20-May-19	Equity	434	30-Jun-22	3.62
ESOPSCHEME2015SR19	20-May-19	Equity	434	31-Dec-22	4.12
ESOPSCHEME2015SR30	30-May-21	Equity	767	30-Jun-22	1.59
ESOPSCHEME2015SR30	30-May-21	Equity	767	30-Jun-23	2.59
ESOPSCHEME2015SR30	30-May-21	Equity	767	30-Jun-24	3.59
ESOPSCHEME2015SR30	30-May-21	Equity	769	30-Jun-25	4.59
			6,913		

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)
ESOPSCHEME2015SR14	18-May-18	Equity	177	31-Oct-20	2.95
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	30-Jun-21	3.62
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	31-Dec-21	4.12
ESOPSCHEME2015SR19	20-May-19	Equity	651	31-Oct-21	2.95
ESOPSCHEME2015SR19	20-May-19	Equity	434	30-Jun-22	3.62
ESOPSCHEME2015SR19	20-May-19	Equity	434	31-Dec-22	4.12
			6,384		

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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, 2022

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)
ESOPSCHEME2015SR14	18-May-18	2.46	0.50	2.71	1271.00	1270.70	7.83%	0.06%	32.95%	383.29
ESOPSCHEME2015SR14	18-May-18	3.12	0.50	3.37	1271.00	1270.70	7.97%	0.06%	32.13%	433.45
ESOPSCHEME2015SR14	18-May-18	3.62	0.50	3.87	1271.00	1270.70	7.99%	0.06%	31.43%	465.70
ESOPSCHEME2015SR19	20-May-19	2.45	0.50	2.70	1460.00	1460.00	6.83%	0.05%	21.16%	330.89
ESOPSCHEME2015SR19	20-May-19	3.12	0.50	3.37	1460.00	1460.00	6.94%	0.05%	21.32%	387.19
ESOPSCHEME2015SR19	20-May-19	3.62	0.50	3.87	1460.00	1460.00	7.03%	0.05%	31.00%	508.28
ESOPSCHEME2015SR30	30-May-21	1.08	0.50	1.34	1801.00	1800.75	4.05%	0.05%	42.76%	390.94
ESOPSCHEME2015SR30	30-May-21	2.08	0.50	2.34	1801.00	1800.75	4.65%	0.05%	35.50%	463.58
ESOPSCHEME2015SR30	30-May-21	3.09	0.50	3.34	1801.00	1800.75	5.13%	0.05%	32.78%	545.56
ESOPSCHEME2015SR30	30-May-21	4.09	0.50	4.34	1801.00	1800.75	5.53%	0.05%	29.80%	609.04

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)
ESOPSCHEME2015SR05	10-Aug-16	4.02	4.39	4.21	765.00	764.75	7.13%	0.07%	26.75%	261.42
ESOPSCHEME2015SR07	15-May-17	2.46	2.96	2.71	955.00	954.65	6.77%	0.06%	35.44%	289.06
ESOPSCHEME2015SR07	15-May-17	3.13	3.63	3.38	955.00	954.65	6.88%	0.06%	33.81%	320.11
ESOPSCHEME2015SR07	15-May-17	3.63	4.13	3.88	955.00	954.65	6.95%	0.06%	34.20%	349.84
ESOPSCHEME2015SR08	15-May-17	3.38	3.88	3.63	955.00	954.65	6.92%	0.06%	33.27%	331.03
ESOPSCHEME2015SR14	18-May-18	2.46	2.95	2.71	1271.00	1270.7	7.83%	0.06%	32.95%	383.29
ESOPSCHEME2015SR14	18-May-18	3.12	3.62	3.37	1271.00	1270.7	7.97%	0.06%	32.13%	433.45
ESOPSCHEME2015SR14	18-May-18	3.62	4.12	3.87	1271.00	1270.7	7.99%	0.06%	31.43%	465.70
ESOPSCHEME2015SR19	20-May-19	1.20	1.70	1.45	1460.00	1460.00	6.63%	0.05%	23.24%	230.35
ESOPSCHEME2015SR19	20-May-19	2.45	2.95	2.7	1460.00	1460.00	6.83%	0.05%	21.16%	330.89
ESOPSCHEME2015SR19	20-May-19	3.12	3.62	3.37	1460.00	1460.00	6.94%	0.05%	21.32%	387.19
ESOPSCHEME2015SR19	20-May-19	3.62	4.12	3.87	1460.00	1460.00	7.03%	0.05%	31.00%	508.28

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The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2022

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, 2022

Scheme	Grant Date	31st March, 2022							
		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
ESOPSCHEME2015SR05	10-Aug-16	-						-	-
ESOPSCHEME2015SR07	15-May-17	-						-	-
ESOPSCHEME2015SR08	15-May-17	-						-	-
ESOPSCHEME2015SR14	18-May-18	4,865		(2,541)				2,324	2,324
ESOPSCHEME2015SR19	20-May-19	1,519						1,519	651
ESOPSCHEME2015SR30	30-May-21	-	3,070	-	-	-		3,070	
Total		**6,384**	**3,070**	**(2,541)**	**-**	**-**	**-**	**6,913**	**2,975**

Scheme	Grant Date	31st March, 2021							
		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
ESOPSCHEME2015SR05	10-Aug-16	2,000	-	(2,000)	-	-	-	-	-
ESOPSCHEME2015SR07	15-May-17	3,120	-	(3,120)	-	-	-	-	-
ESOPSCHEME2015SR08	15-May-17	4,785	-	(4,785)	-	-	-	-	-
ESOPSCHEME2015SR14	18-May-18	8,204	-	(3,339)	-	-	-	4,865	177
ESOPSCHEME2015SR19	20-May-19	2,170	-	(651)	-	-	-	1,519	-
		20,279	**-**	**(13,895)**	**-**	**-**	**-**	**6,384**	**177**

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,778.5 (Previous year: ₹ 1753.05).

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

ESOP Scheme	Range of exercise prices (₹)	31st March, 2022			31st March, 2021		
		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 (₹)
ESOPSCHEME2015SR14	1201-1300	2,324	0.25	1271	4,865	1.61	1,271
ESOPSCHEME2015SR19	1401-1500	1,519	1.25	1460	1,519	2.08	1,460
ESOPSCHEME2015SR30	1801-1900	3,070	3.76	1801	-	-	-
		6,913			**6,384**		

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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 960 SARs during FY 2019- 20. 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, 2022

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015 - Series 22 V3-1	20-May-19	Cash	64	30-Jun-22	3.12
Scheme 2015 - Series 22 V3-2	20-May-19	Cash	64	7-Jul-22	3.13
Scheme 2015 - Series 22 V3-3	20-May-19	Cash	64	14-Jul-22	3.15
Scheme 2015 - Series 22 V4-1	20-May-19	Cash	64	31-Dec-22	3.62
Scheme 2015 - Series 22 V4-2	20-May-19	Cash	64	7-Jan-23	3.64
Scheme 2015 - Series 22 V4-3	20-May-19	Cash	64	14-Jan-23	3.66
Scheme 2015 - Series 28 V2-1	7-Aug-20	Cash	28	30-Nov-22	2.32
Scheme 2015 - Series 28 V2-2	7-Aug-20	Cash	28	7-Dec-22	2.33
Scheme 2015 - Series 28 V2-3	7-Aug-20	Cash	28	14-Dec-22	2.35
Scheme 2015 - Series 28 V3-1	7-Aug-20	Cash	18	30-Jun-23	2.90
Scheme 2015 - Series 28 V3-2	7-Aug-20	Cash	19	7-Jul-23	2.92
Scheme 2015 - Series 28 V3-3	7-Aug-20	Cash	19	14-Jul-23	2.93
Scheme 2015 - Series 28 V4-1	7-Aug-20	Cash	18	31-Dec-23	3.40
Scheme 2015 - Series 28 V4-2	7-Aug-20	Cash	19	7-Jan-24	3.42
Scheme 2015 - Series 28 V4-3	7-Aug-20	Cash	19	14-Jan-24	3.44
Scheme 2015 - Series 31 V1-1	7-Aug-20	Cash	372	31-Aug-23	3.07
Scheme 2015 - Series 31 V1-2	7-Aug-20	Cash	372	7-Sep-23	3.08
Scheme 2015 - Series 31 V1-3	7-Aug-20	Cash	372	14-Sep-23	3.10
Scheme 2015 - Series 31 V2-1	7-Aug-20	Cash	247	31-Aug-24	4.07
Scheme 2015 - Series 31 V2-2	7-Aug-20	Cash	247	7-Sep-24	4.09
Scheme 2015 - Series 31 V2-3	7-Aug-20	Cash	250	14-Sep-24	4.11
Scheme 2015- Series 32 V1-1	30-May-21	Cash	69	30-Jun-22	1.08
Scheme 2015- Series 32 V1-2	30-May-21	Cash	69	7-Jul-22	1.10
Scheme 2015- Series 32 V1-3	30-May-21	Cash	69	14-Jul-22	1.12
Scheme 2015- Series 32 V2-1	30-May-21	Cash	69	30-Jun-23	2.08
Scheme 2015- Series 32 V2-2	30-May-21	Cash	69	7-Jul-23	2.10
Scheme 2015- Series 32 V2-3	30-May-21	Cash	69	14-Jul-23	2.12
Scheme 2015- Series 32 V3-1	30-May-21	Cash	69	30-Jun-24	3.09
Scheme 2015- Series 32 V3-2	30-May-21	Cash	69	7-Jul-24	3.11
Scheme 2015- Series 32 V3-3	30-May-21	Cash	69	14-Jul-24	3.13
Scheme 2015- Series 32 V4-1	30-May-21	Cash	69	30-Jun-25	4.09
Scheme 2015- Series 32 V4-2	30-May-21	Cash	69	7-Jul-25	4.11
Scheme 2015- Series 32 V4-3	30-May-21	Cash	71	14-Jul-25	4.13
Scheme 2015- Series 38 v1-1	17-Mar-22	Cash	938	31-Mar-23	1.04
Scheme 2015- Series 38 V1-2	17-Mar-22	Cash	938	7-Apr-23	1.06
Scheme 2015- Series 38 V1-3	17-Mar-22	Cash	939	14-Apr-23	1.08
Scheme 2015- Series 38 V2-1	17-Mar-22	Cash	938	31-Mar-24	2.04
Scheme 2015- Series 38 v2-2	17-Mar-22	Cash	967	7-Apr-24	2.06
Scheme 2015- Series 38 v2-3	17-Mar-22	Cash	910	14-Apr-24	2.08
Scheme 2015- Series 38 v3-1	17-Mar-22	Cash	967	31-Mar-25	3.04

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Scheme 2015- Series 38 v3-2	17-Mar-22	Cash	967	7-Apr-25	3.06
Scheme 2015- Series 38 v3-3	17-Mar-22	Cash	966	14-Apr-25	3.08
			11,800		

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 V3-1	18-May-18	Cash	213	30-Jun-21	3.12
Scheme 2015 - Series 17 V3-2	18-May-18	Cash	213	7-Jul-21	3.14
Scheme 2015 - Series 17 V3-3	18-May-18	Cash	216	14-Jul-21	3.16
Scheme 2015 - Series 17 V4-1	18-May-18	Cash	213	30-Dec-21	3.62
Scheme 2015 - Series 17 V4-2	18-May-18	Cash	213	7-Jan-22	3.64
Scheme 2015 - Series 17 V4-3	18-May-18	Cash	216	14-Jan-22	3.66
Scheme 2015 - Series 22 V2-1	20-May-19	Cash	96	31-Oct-21	2.45
Scheme 2015 - Series 22 V2-2	20-May-19	Cash	96	7-Nov-21	2.47
Scheme 2015 - Series 22 V2-3	20-May-19	Cash	96	14-Nov-21	2.49
Scheme 2015 - Series 22 V3-1	20-May-19	Cash	64	30-Jun-22	3.12
Scheme 2015 - Series 22 V3-2	20-May-19	Cash	64	7-Jul-22	3.13
Scheme 2015 - Series 22 V3-3	20-May-19	Cash	64	14-Jul-22	3.15
Scheme 2015 - Series 22 V4-1	20-May-19	Cash	64	31-Dec-22	3.62
Scheme 2015 - Series 22 V4-2	20-May-19	Cash	64	7-Jan-23	3.64
Scheme 2015 - Series 22 V4-3	20-May-19	Cash	64	14-Jan-23	3.66
Scheme 2015 - Series 28 V1-1	7-Aug-20	Cash	28	31-Aug-21	1.07
Scheme 2015 - Series 28 V1-2	7-Aug-20	Cash	28	7-Sep-21	1.08
Scheme 2015 - Series 28 V1-3	7-Aug-20	Cash	28	14-Sep-21	1.10
Scheme 2015 - Series 28 V2-1	7-Aug-20	Cash	28	30-Nov-22	2.32
Scheme 2015 - Series 28 V2-2	7-Aug-20	Cash	28	7-Dec-22	2.33
Scheme 2015 - Series 28 V2-3	7-Aug-20	Cash	28	14-Dec-22	2.35
Scheme 2015 - Series 28 V3-1	7-Aug-20	Cash	18	30-Jun-23	2.90
Scheme 2015 - Series 28 V3-2	7-Aug-20	Cash	19	7-Jul-23	2.92
Scheme 2015 - Series 28 V3-3	7-Aug-20	Cash	19	14-Jul-23	2.93
Scheme 2015 - Series 28 V4-1	7-Aug-20	Cash	18	31-Dec-23	3.40
Scheme 2015 - Series 28 V4-2	7-Aug-20	Cash	19	7-Jan-24	3.42
Scheme 2015 - Series 28 V4-3	7-Aug-20	Cash	19	14-Jan-24	3.44
Scheme 2015 - Series 31 V1-1	7-Aug-20	Cash	372	31-Aug-23	3.07
Scheme 2015 - Series 31 V1-2	7-Aug-20	Cash	372	7-Sep-23	3.08
Scheme 2015 - Series 31 V1-3	7-Aug-20	Cash	372	14-Sep-23	3.10
Scheme 2015 - Series 31 V2-1	7-Aug-20	Cash	247	31-Aug-24	4.07
Scheme 2015 - Series 31 V2-2	7-Aug-20	Cash	247	7-Sep-24	4.09
Scheme 2015 - Series 31 V2-3	7-Aug-20	Cash	250	14-Sep-24	4.11
			4,096		

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

As at 31st March, 2022

Scheme	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (INR)
Scheme 2015 - Series 17 V3-1	18-May-18	0.25	0.04%	30.03%	3.45%	1,781.05
Scheme 2015 - Series 17 V3-2	18-May-18	0.27	0.04%	29.69%	3.46%	1,781.03
Scheme 2015 - Series 17 V3-3	18-May-18	0.29	0.04%	28.84%	3.47%	1,781.02
Scheme 2015 - Series 17 V4-1	18-May-18	0.75	0.04%	31.29%	3.75%	1,780.65
Scheme 2015 - Series 17 V4-2	18-May-18	0.77	0.04%	31.90%	3.76%	1,780.63
Scheme 2015 - Series 17 V4-3	18-May-18	0.79	0.04%	32.27%	3.77%	1,780.62
Scheme 2015 - Series 22 V2-1	20-May-19	0.59	0.04%	32.26%	3.66%	1,780.78
Scheme 2015 - Series 22 V2-2	20-May-19	0.61	0.04%	32.22%	3.67%	1,780.76
Scheme 2015 - Series 22 V2-3	20-May-19	0.62	0.04%	32.18%	3.68%	1,780.75
Scheme 2015 - Series 22 V3-1	20-May-19	1.25	0.04%	43.26%	3.96%	1,780.25
Scheme 2015 - Series 22 V3-2	20-May-19	1.27	0.04%	43.01%	3.96%	1,780.23
Scheme 2015 - Series 22 V3-3	20-May-19	1.29	0.04%	42.73%	3.97%	1,780.22
Scheme 2015 - Series 22 V4-1	20-May-19	1.75	0.04%	38.90%	4.14%	1,779.85
Scheme 2015 - Series 22 V4-2	20-May-19	1.77	0.04%	38.70%	4.15%	1,779.83
Scheme 2015 - Series 22 V4-3	20-May-19	1.79	0.04%	38.57%	4.16%	1,779.82
Scheme 2015 - Series 28 V1-1	7-Aug-20	0.42	0.04%	29.09%	3.56%	1,780.91
Scheme 2015 - Series 28 V1-2	7-Aug-20	0.44	0.04%	33.39%	3.57%	1,780.90
Scheme 2015 - Series 28 V1-3	7-Aug-20	0.46	0.04%	33.44%	3.58%	1,780.88
Scheme 2015 - Series 28 V2-1	7-Aug-20	1.67	0.04%	39.50%	4.11%	1,779.91
Scheme 2015 - Series 28 V2-2	7-Aug-20	1.69	0.04%	39.34%	4.11%	1,779.90
Scheme 2015 - Series 28 V2-3	7-Aug-20	1.71	0.04%	39.27%	4.12%	1,779.88
Scheme 2015 - Series 28 V3-1	7-Aug-20	2.25	0.04%	35.47%	4.43%	1,779.45
Scheme 2015 - Series 28 V3-2	7-Aug-20	2.27	0.04%	35.35%	4.45%	1,779.44
Scheme 2015 - Series 28 V3-3	7-Aug-20	2.29	0.04%	35.27%	4.47%	1,779.42
Scheme 2015 - Series 28 V4-1	7-Aug-20	2.75	0.04%	34.44%	4.97%	1,779.05
Scheme 2015 - Series 28 V4-2	7-Aug-20	2.77	0.04%	34.32%	5.00%	1,779.03
Scheme 2015 - Series 28 V4-3	7-Aug-20	2.79	0.04%	34.24%	5.02%	1,779.02
Scheme 2015 - Series 31 V1-1	7-Aug-20	2.42	0.04%	35.38%	4.59%	1,779.31
Scheme 2015 - Series 31 V1-2	7-Aug-20	2.44	0.04%	35.33%	4.61%	1,779.30
Scheme 2015 - Series 31 V1-3	7-Aug-20	2.46	0.04%	35.24%	4.63%	1,779.28
Scheme 2015 - Series 31 V2-1	7-Aug-20	3.42	0.04%	31.93%	5.49%	1,778.51
Scheme 2015 - Series 31 V2-2	7-Aug-20	3.44	0.04%	31.98%	5.50%	1,778.50
Scheme 2015 - Series 31 V2-3	7-Aug-20	3.46	0.04%	31.93%	5.51%	1,778.48
Scheme 2015- Series 32 V1-1	30-May-21	0.25	0.05%	31.46%	3.97%	1,762.87
Scheme 2015- Series 32 V1-2	30-May-21	0.27	0.05%	30.70%	3.99%	1,762.86
Scheme 2015- Series 32 V1-3	30-May-21	0.29	0.05%	30.99%	4.00%	1,762.84
Scheme 2015- Series 32 V2-1	30-May-21	1.25	0.05%	27.78%	4.72%	1,761.98
Scheme 2015- Series 32 V2-2	30-May-21	1.27	0.05%	27.72%	4.73%	1,761.96
Scheme 2015- Series 32 V2-3	30-May-21	1.29	0.05%	27.55%	4.74%	1,761.94
Scheme 2015- Series 32 V3-1	30-May-21	2.25	0.05%	37.02%	5.31%	1,761.07
Scheme 2015- Series 32 V3-2	30-May-21	2.27	0.05%	36.90%	5.32%	1,761.06
Scheme 2015- Series 32 V3-3	30-May-21	2.29	0.05%	36.77%	5.33%	1,761.04
Scheme 2015- Series 32 V4-1	30-May-21	3.25	0.05%	33.14%	5.83%	1,760.17
Scheme 2015- Series 32 V4-2	30-May-21	3.27	0.05%	33.06%	5.84%	1,760.16
Scheme 2015- Series 32 V4-3	30-May-21	3.29	0.05%	33.01%	5.85%	1,760.14
Scheme 2015- Series 38 v1-1	17-Mar-22	1.00	0.05%	27.17%	4.56%	1,762.20
Scheme 2015- Series 38 V1-2	17-Mar-22	1.02	0.05%	27.03%	4.57%	1,761.18
Scheme 2015- Series 38 V1-3	17-Mar-22	1.04	0.05%	26.92%	4.59%	1,762.16
Scheme 2015- Series 38 V2-1	17-Mar-22	2.00	0.05%	33.72%	5.17%	1,761.30
Scheme 2015- Series 38 v2-2	17-Mar-22	2.02	0.05%	36.30%	5.18%	1,761.28
Scheme 2015- Series 38 v2-3	17-Mar-22	2.04	0.05%	37.68%	5.19%	1,761.26
Scheme 2015- Series 38 v3-1	17-Mar-22	3.00	0.05%	34.01%	5.71%	1,760.40
Scheme 2015- Series 38 v3-2	17-Mar-22	3.02	0.05%	33.96%	5.72%	1,760.38
Scheme 2015- Series 38 v3-3	17-Mar-22	3.04	0.05%	33.88%	5.73%	1,760.36

Schedules

to the Financial Statements for the year ended 31st March, 2022

As at 31st March, 2021

Scheme	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (INR)
Scheme 2015 - Series 17 V3-1	18-May-18	0.25	0.04%	30.03%	3.45%	1,781.05
Scheme 2015 - Series 17 V3-2	18-May-18	0.27	0.04%	29.69%	3.46%	1,781.03
Scheme 2015 - Series 17 V3-3	18-May-18	0.29	0.04%	28.84%	3.47%	1,781.02
Scheme 2015 - Series 17 V4-1	18-May-18	0.75	0.04%	31.29%	3.75%	1,780.65
Scheme 2015 - Series 17 V4-2	18-May-18	0.77	0.04%	31.90%	3.76%	1,780.63
Scheme 2015 - Series 17 V4-3	18-May-18	0.79	0.04%	32.27%	3.77%	1,780.62
Scheme 2015 - Series 22 V2-1	20-May-19	0.59	0.04%	32.26%	3.66%	1,780.78
Scheme 2015 - Series 22 V2-2	20-May-19	0.61	0.04%	32.22%	3.67%	1,780.76
Scheme 2015 - Series 22 V2-3	20-May-19	0.62	0.04%	32.18%	3.68%	1,780.75
Scheme 2015 - Series 22 V3-1	20-May-19	1.25	0.04%	43.26%	3.96%	1,780.25
Scheme 2015 - Series 22 V3-2	20-May-19	1.27	0.04%	43.01%	3.96%	1,780.23
Scheme 2015 - Series 22 V3-3	20-May-19	1.29	0.04%	42.73%	3.97%	1,780.22
Scheme 2015 - Series 22 V4-1	20-May-19	1.75	0.04%	38.90%	4.14%	1,779.85
Scheme 2015 - Series 22 V4-2	20-May-19	1.77	0.04%	38.70%	4.15%	1,779.83
Scheme 2015 - Series 22 V4-3	20-May-19	1.79	0.04%	38.57%	4.16%	1,779.82
Scheme 2015 - Series 28 V1-1	7-Aug-20	0.42	0.04%	29.09%	3.56%	1,780.91
Scheme 2015 - Series 28 V1-2	7-Aug-20	0.44	0.04%	33.39%	3.57%	1,780.90
Scheme 2015 - Series 28 V1-3	7-Aug-20	0.46	0.04%	33.44%	3.58%	1,780.88
Scheme 2015 - Series 28 V2-1	7-Aug-20	1.67	0.04%	39.50%	4.11%	1,779.91
Scheme 2015 - Series 28 V2-2	7-Aug-20	1.69	0.04%	39.34%	4.11%	1,779.90
Scheme 2015 - Series 28 V2-3	7-Aug-20	1.71	0.04%	39.27%	4.12%	1,779.88
Scheme 2015 - Series 28 V3-1	7-Aug-20	2.25	0.04%	35.47%	4.43%	1,779.45
Scheme 2015 - Series 28 V3-2	7-Aug-20	2.27	0.04%	35.35%	4.45%	1,779.44
Scheme 2015 - Series 28 V3-3	7-Aug-20	2.29	0.04%	35.27%	4.47%	1,779.42
Scheme 2015 - Series 28 V4-1	7-Aug-20	2.75	0.04%	34.44%	4.97%	1,779.05
Scheme 2015 - Series 28 V4-2	7-Aug-20	2.77	0.04%	34.32%	5.00%	1,779.03
Scheme 2015 - Series 28 V4-3	7-Aug-20	2.79	0.04%	34.24%	5.02%	1,779.02
Scheme 2015 - Series 31 V1-1	7-Aug-20	2.42	0.04%	35.38%	4.59%	1,779.31
Scheme 2015 - Series 31 V1-2	7-Aug-20	2.44	0.04%	35.33%	4.61%	1,779.30
Scheme 2015 - Series 31 V1-3	7-Aug-20	2.46	0.04%	35.24%	4.63%	1,779.28
Scheme 2015 - Series 31 V2-1	7-Aug-20	3.42	0.04%	31.93%	5.49%	1,778.51
Scheme 2015 - Series 31 V2-2	7-Aug-20	3.44	0.04%	31.98%	5.50%	1,778.50
Scheme 2015 - Series 31 V2-3	7-Aug-20	3.46	0.04%	31.93%	5.51%	1,778.48

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2022

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.

Schedules

to the Financial Statements for the year ended 31st March, 2022

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	31st March, 2022						
		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)	19-May-16	-						-
2015-17 (Series 17)	15-May-17	1,284		(1,284)				-
2015-22 (Series 22)	18-May-18	672		(288)				384
2015-28 (Series 28)	07-Aug-20	280		(84)				196
2015-31 (Series 31)	07-Aug-20	1,860						1,860
2015-31 (Series 32)	30-May-21	-	830					830
2015-31 (Series 38)	17-Mar-22	-	8530					8,530
		4,096	**9,360**	**(1,656)**	**-**	**-**	**-**	**11,800**

Scheme	Grant Date	31st March, 2021						
		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)	19-May-16	672	-	(672)	-	-	-	-
2015-17 (Series 17)	15-May-17	2,247	-	(963)	-	-	-	1,284
2015-22 (Series 22)	18-May-18	960	-	(288)	-	-	-	672
2015-28 (Series 28)	07-Aug-20	-	280	-	-	-	-	280
2015-31 (Series 31)	07-Aug-20	-	1,860	-	-	-	-	1,860
2015-31 (Series 38)								
		3,879	**2,140**	**(1,923)**	**-**	**-**	**-**	**4,096**

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

Statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Employee Stock Option Plan	10.57	16.28
Stock Appreciation Rights	28.22	35.03
Total employee share-based payment expenses	**38.79**	**51.31**

Balance sheet

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contribution from parent	122.50	117.76
SARs Liability	32.86	35.13
Intrinsic value of liability	33.20	35.14

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 31 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

The classification of financial assets and financial liabiliites based on the category are as presented below.

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Non-current assets				
(i) Security Deposits	-	0.10	-	0.10
Current assets				
(i) Current Investments	1,237.14	-	-	-
(ii) Trade receivables	-	316.45	-	315.00
(iii) Cash and cash equivalents	-	108.11	-	1,352.22
(iv) Bank balance other than (iii) above	-	1,215.00	-	856.36
(v) Other current financial assets	-	22.88	-	-
Total financial assets	**1,237.14**	**1,662.55**	**-**	**2,523.67**
Financial liabilities				
Current liabilities				
(i) Trade payables	-	42.70	-	38.61
Total financial liabilities	**-**	**42.70**	**-**	**38.61**

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, 2022	As at 31st March, 2021
	Level 1	Level 1
Financial Assets		
Current assets		
Current Investments	1,237.14	-
Total financial assets	**1,237.14**	**-**

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to the Financial Statements for the year ended 31st March, 2022

Fair value of financial assets and liabilities measured at amortised cost are as below:

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Non-current assets				
(i) Security Deposits	0.10	0.10	0.10	0.10
Current assets				
(i) Trade receivables	316.45	316.45	315.00	315.00
(ii) Cash and cash equivalents	108.11	108.11	1,352.22	1,352.22
(iii) Bank balance other than (ii) above	1,215.00	1,215.00	856.36	856.36
(iv) Other current financial assets	22.88	22.88	-	-
Total financial assets	**1,662.55**	**1,662.54**	**2,523.67**	**2,523.67**
Financial liabilities				
Current liabilities				
(i) Trade payables	42.70	42.70	38.61	38.61
Total financial liabilities	**42.70**	**42.70**	**38.61**	**38.61**

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 company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing 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 on observable market data, the instrument is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The company develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include trade receivables, cash and cash equivalents, bank balance, trade payables, employee related payables which are considered as 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. The fair value of security deposit approximate to the carrying value since deposit is receivable on demand.

Valuation techniques used to determine fair value

Investment in Mutual Fund

Investment in Mutual Fund which are classified as FVTPL, are valued at NAV on the reporting date.

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to the Financial Statements for the year ended 31st March, 2022

D. Financial risk management

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

- Credit risk ; and
- Liquidity risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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. Credit risk arises from balances with banks, loans and advances as well as credit exposure to customers, including outstanding receivables.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	321.86	325.83
Security Deposits	0.10	0.10
Bank balances	1,323.37	2,209.46
Other current financial assets	23.24	-
Total	**1,668.57**	**2,535.39**

a. Credit quality analysis

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

(₹ in Lakhs)

Particulars	Lifetime ECL (simplified approach)	
	As at 31st March, 2022	As at 31st March, 2021
Trade receivables		
0-30 days	309.68	295.50
Past due 31–90 days	12.18	11.24
Past due 90 days	-	19.09
	321.86	**325.83**
Less: Impairment loss allowance	(5.41)	(10.83)
Carrying amount	**316.45**	**315.00**

Schedules

to the Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	As at 31st March, 2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Security Deposits				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	**-**	**-**	**0.10**
Impairment loss allowance	-	-	-	-
Carrying amount	**0.10**	**-**	**-**	**0.10**
Bank Balance				
Past due 1–30 days	1,323.37	-	-	1,323.37
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	1,323.37	**-**	**-**	**1,323.37**
Impairment loss allowance	(0.26)	-	-	(0.26)
Carrying amount	**1,323.11**	**-**	**-**	**1,323.11**
Other current financial assets				
Past due 1–30 days	23.24	-	-	23.24
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	23.24	-	-	23.24
Impairment loss allowance	(0.36)	-	-	(0.36)
Carrying amount	**22.88**	**-**	**-**	**22.88**
Carrying amount	**1,346.09**	**-**	**-**	**1,346.09**

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Security Deposits				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	**-**	**-**	**0.10**
Impairment loss allowance	-	-	-	-
Carrying amount	**0.10**	**-**	**-**	**0.10**
Bank Balance				
Past due 1–30 days	2,209.46	-	-	2,209.46
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	2,209.46	**-**	**-**	**2,209.46**
Impairment loss allowance	(0.88)	-	-	(0.88)
Carrying amount	**2,208.58**	**-**	**-**	**2,208.58**

Schedules

to the Financial Statements for the year ended 31st March, 2022

b. Amounts arising from ECL

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

Inputs considered in the ECL model:

The Company has used simplified approach to provide expected credit loss on trade receivables and contract assets as prescribed by Ind AS 109 which permits use of lifetime expected credit loss. 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 expected loss rates are based on the payment profiles of the trusteeship services and estate planning services provided over the historic period before the reporting date and the corresponding historic credit losses experienced within this period.

With respect to trade receivables, the Company has to review the receivables on a periodic basis and to take necessary mitigations, wherever required.

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 Gross domestic product, change in Gross Fixed Investments 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.

ii. Impairment loss allowance

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

(₹ in Lakhs)

Particulars	Past due 1–30 days	Past due 31–90 days	Past due more than 90 days
Trade receivables			
Balance as at 31st March, 2020	**3.70**	**0.41**	**0.38**
Net remeasurement of loss allowance	-	-	0.28
New financial assets originated during the year	7.84	0.65	11.12
Write-off during the year	-	-	(9.44)
Financial assets that have been derecognised during the period	(3.70)	(0.41)	-
Balance as at 31st March, 2021	**7.84**	**0.65**	**2.34**
Net remeasurement of loss allowance	-	-	6.99
New financial assets originated during the year	4.74	0.67	-
Write-off during the year	-	-	(9.33)
Financial assets that have been derecognised during the period	(7.84)	(0.65)	-
Balance as at 31st March, 2022	**4.74**	**0.67**	**0.00**

Schedules

to the Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Bank balances	Other current financial assets
Balance as at 31st March, 2020	**1.25**	**-**
Net remeasurement of loss allowance	(0.37)	-
Balance as at 31st March, 2021	0.88	-
Net remeasurement of loss allowance	(0.62)	
New financial assets originated during the year	-	(0.36)
Balance as at 31st March, 2022	**0.26**	**(0.36)**

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	Upto 1 month	1-3 months
	As at 31st March, 2022				
	Financial Liabilities				
(i)	Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	42.70	(42.70)	(42.70)	-
	Carrying Amount	**42.70**	**(42.70)**	**(42.70)**	**-**

(₹ in Lakhs)

Sr. No.	Particulars	Carrying amount	Total	Upto 1 month	1-3 months
	As at 31st March, 2021				
	Financial Liabilities				
(i)	Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	38.61	(38.61)	(11.25)	(27.36)
	Carrying Amount	**38.61**	**(38.61)**	**(11.25)**	**(27.36)**

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 32 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 during the year ended 31st March, 2022 and 31st March, 2021.

NOTE 33 PAYABLE TO MICRO SMALL AND MEDIUM ENTERPRISES

As per the information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no disclosure has been made under the said provisions. This has been relied upon by the auditors.

NOTE 34 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. For management purposes, the company is organised into one business unit and has single segment namely "providing trusteeship services to venture capital funds, private equity funds and other private trusts including estate planning trusts". The Board of Directors are the Chief Operating Decision Maker ("CODM") of the company and evaluates the Company's performance. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement. The Company caters only to the domestic market where there are no differing risks and returns and hence, there are no reportable geographical segments.

NOTE 35 RATIOS

Particulars	Current Period	Previous Period	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio				
Current Ratio (times)	9.82	13.44	-27%	Increase in current liabilities on account of increase in outstanding employee benefit and increase in provision for tax, has reduced the Current ratio.
Profitability ratio				
Net Profit Ratio (%)	29.40%	26.74%	0.10	
Return on Equity Ratio (%)	13.28%	10.83%	0.23	
Return on Capital employed (%)	16.44%	13.85%	0.19	
Return on Investment (%)	4.17%	-	-	
Utilization Ratio				
Trade Receivables turnover ratio (times)	3.90	3.78	0.03	
Net capital turnover ratio (times)	0.47	0.84	(0.44)	

NOTE 36 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, 2022	For the year ended 31st March, 2021
Revenue from contracts with customers	1,131.30	895.00
Other Income	98.86	83.08
Total Revenue	**1,230.16**	**978.08**
Impairment loss on receivables	3.91	15.78

Schedules

to the Financial Statements for the year ended 31st March, 2022

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Primary Geographical Market		
India	1,131.30	895.00
Total	**1,131.30**	**895.00**
Major products/service lines		
Trusteeship Fees	1,131.30	895.00
Total	**1,131.30**	**895.00**
Timing of revenue recognition		
At a point in time	419.76	318.73
Over a period of time	711.54	576.27
Total	**1,131.30**	**895.00**

c) Contract Balances

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Receivables	316.45	315.00

The contract liabilities primarily relate to the advance consideration received from the customers.

ii. Significant changes in the contract liabilities balances during the period are as follows:

(₹ in Lakhs)

Particulars	Contract liabilities	
	As at 31st March, 2022	As at 31st March, 2021
At the beginning of the reporting period	-	0.97
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(0.97)
At the end of the reporting period	**-**	**-**

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 37 : MCA NOTIFICATION DATED 24TH MARCH 2021 FOR AMENDMENTS TO SCHEDULE III DISCLOSURES WHICH ARE NOT APPLICABLE AND OTHER STATUTORY INFORMATION

i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of the Board of Directors

K M Gherda	**Chandrashekhar Sathe**
Chairman	Director
DIN: 00237125	DIN No: 00017605
Mumbai	Mumbai
Date: 30th May, 2022	Date: 30th May, 2022

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Kotak Estate Planning
Kotak Mahindra Trusteeship Services Limited
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CIN: U65991MH2000PLC125008