Annual Report 2018-19

kotak

Courage
of Conviction.
Constancy
of Change.

Directors' Report

To the Members

KOTAK INVESTMENT ADVISORS LIMITED

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

FINANCIAL SUMMARY/ HIGHLIGHTS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1st April 2018 with effective transition date of 1st April 2017 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other relevant provision of the act.

The highlights of the Financial Results of the Company as prepared under Ind AS for the financial year ended March 31, 2019 and March 31, 2018 respectively, are as under:

(₹ In Lacs)

Particulars	Standalone Year ended 31st March 2019	Standalone Year ended 31st March 2018
Gross Income	7,812.83	9,422.14
Profit before tax	608.22	3,347.31
Tax Expense	(114.01)	587.34
Profit after tax	722.23	2,759.97
Total Comprehensive Income	699.23	2,725.83
Balance of Profit from previous years	32,400.00	29,679.47
Share Issue Expenses	-	5.30
Amount available for appropriation	33,099.23	32,400.00

OPERATIONS

During the year under review, at the standalone level, Fee income from the business of investment management/advisory was ₹ 55.44 Crore for the financial year ended 31st March 2019 as compared to ₹ 56.10 Crore for the previous financial year. The earnings per share of the Company were ₹ 13.28 per share for the financial year ended 31st March 2019 as compared to ₹53.33 per share during the previous financial year.

The Company also provides non-binding advisory services to offshore funds managed by Kotak Group's international subsidiaries.

STATE OF AFFAIRS OF THE COMPANY:

During the year under review, Company has obtained Investment Advisory license for its Investment Advisory business registered under Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended on 31st March 2019.

DEMATERIALISATION

Your directors are pleased to inform you that Company has offered dematerialization facility to the members of the Company with NSDL connectivity.

RISK MANAGEMENT & INTERNAL FINANCIAL CONTROL

The Company has adopted comprehensive risk management policy and procedures for its business of investment management of domestic funds operating in the alternate assets domain. Under these policies and procedures, the risk analysis is done at the time of doing any transactions as well as on periodic intervals.

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively.

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

DIRECTORS & MEETINGS

During the year under review Mr. Sriniwasan Subramanian (DIN: 00382697) was re-appointed as Managing Director of the Company for a further period of two years.

Further, Mr. Jaideep Hansraj (DIN: 02234625) was appointed as an Additional Director w.e.f. March 29, 2019.

Director retiring by rotation

Mr. Dipak Gupta retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Board Meetings

During the financial year 2018-19, 9 (Nine) meetings of Board of Directors were held.

COMMITTEES

Committee of Directors

The Committee of Directors (COD) consists of Mr. Sriniwasan Subramanian and Mr. Jaimin Bhatt.

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

Audit Committee

The Audit Committee consists of Mr. Sriniwasan Subramanian, Mr. Dipak Gupta, Mr. Jaimin Bhatt and Ms. Shanti Ekambaram.

During the year under review, two meetings of the Committee were held

Nomination Committee

The Nomination Committee consists of Mr. Sriniwasan Subramanian, Mr. Dipak Gupta, Mr. Jaimin Bhatt and Ms. Shanti Ekambaram.

During the year under review, two meetings of the Committee were held

Risk Management Committee

The Company has a two level structure of Risk Management Committee. The Tier I level is Risk Management Committee (Operations) consisting Seven members namely, Mr. S. Sriniwasan (Managing Director), Mr. Nitin Deshmukh, Mr. Alroy Lobo (Chief Executive Officer-Listed Strategies), Mr. Vikas Chimakurthy (Chief Executive – Realty Funds), Mr. K V Ramakrishna (Chief Executive Officer – Private Equity), Mr. Rajeev Saptarshi (Chief Operating Officer) and Mr. Abhay Nagrecha.

The Tier II level is Risk Management Committee (Board) consisting five members namely, Mr. Dipak Gupta (Director), Mr. Jaimin Bhatt (Director), Mr. S. Sriniwasan (Managing Director), Mr. Nitin Deshmukh and Mr. Alroy Lobo (Chief Executive Officer-Listed Strategies).

Corporate Social Responsibility Committee

During the year under review, Company is under no obligation to incur any CSR expenditure.

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

The Company has not made any loans or given guarantee covered under Section 186 of the Companies Act, 2013.

The details of the investments under section 186 of the Companies Act, 2013 are annexed to this report

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year 2018-19 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 AS18 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, 2019:

(i) Foreign exchange inflow: ₹ 2,005.20 Lac

(ii) Foreign exchange outgo: ₹ 44.29 Lac

AUDITOR'S REPORT:

The Auditor's Report on Audited Financial Statements for the Financial Year ended 31st March, 2019 issued by M/s, Price Waterhouse, Chartered Accountants, Mumbai (Regn. No. 301112E) 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 members of the Company had, at the Twentieth Annual General Meeting, appointed Messers Price Waterhouse, Chartered Accountants, Mumbai (Regn. No. 301112E) as Auditors of the Company for five years, subject to ratification every year by the members.

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, every company shall, appoint an individual or a firm as an auditor who shall hold office from the conclusion of Annual General Meeting (AGM) till the conclusion of its sixth Annual General Meeting (AGM) and thereafter till the conclusion of every sixth meeting. Accordingly, Messers Price Waterhouse, Chartered Accountants, Mumbai (Regn. No. 301112E) was appointed as Statutory auditors of the Company at the 20th AGM till the conclusion of the 25th AGM and the term of the auditors is getting expired at the ensuing general meeting of the Company and Company needs to appoint statutory auditors.

The Company has received letter & certificate from M/s Price Waterhouse, Chartered Accountants, Mumbai (Regn. No. 301112E) consenting to act as Statutory Auditors of the Company & their eligibility and compliance as to qualifications as provided under the provisions of Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, on the basis of the same, your Board of Directors recommends appointment of M/s Price Waterhouse, Chartered Accountants, Mumbai (Regn. No. 301112E) as Statutory Auditors of the Company for the term of 5 (Five) Years at the ensuing 25th Annual General Meeting of the Company.

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 2018-19.

EMPLOYEES

The Company recognizes that human capital is the key to success and growth in the Company's business. As on 31st March 2019, the Company has 56 employees.

A statement giving the particulars of employees as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed.

REPORT ON THE PERFORMANCE OF SUBSIDIARY AND ASSOCIATE COMPANIES

Consolidated Financial Statements in terms of Section 129(3) of the Companies Act, 2013 are prepared consolidating Financial Statements of Subsidiary and Associates in accordance with applicable Accounting Standards.

The performance of the subsidiary and each of the associates are presented in AOC 1 which forms part of the Financial Statements.

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

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment. The said policy is in line with applicable laws. The Company through the policy ensures that all such complaints are resolved within defined timelines.

During the year there were NIL cases of complaints, and NIL are pending. During the year, the Company had arranged a work shop for employees to make them familiar with the Act and its requirement.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

ANNEXURES

Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 (1) of Companies (Management and Administration) Rules, 2014 is annexed and the same has been placed on our website : www.alternateassets.kotak.com.

ACKNOWLEDGEMENT

We thank our members, trustees, investors of funds under management, investee companies and bankers for their continued support during the year. We place on record our appreciation for the contributions made by the employees at all levels for their commendable efforts, teamwork and professionalism.

We would like to place on record our gratitude for the valuable guidance and support received from the Securities and Exchange Board of India and other Government and Regulatory agencies and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Sriniwasan Subramanian Managing Director (DIN: 00382697)	**Dipak Gupta** Director (DIN: 00004771)

Place: Mumbai
Date: 24th June, 2019

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U65990MH1994PLC077472
ii)	Registration Date	31/03/1994
iii)	Name of the Company	Kotak Investment Advisors Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	27-BKC, 7th Floor, Plot No. C-27, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051 Tel No.: +91 22 61660000 Fax No.: +91 22 67132421
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Tel- 022-49186200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment Management and Advisory	66190	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
1	Kotak Mahindra Bank Limited 27-BKC, Plot No. C-27, "G" Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400051	L65110MH1985PLC038137	Holding Company	58.63	2(87)(ii)
2	Kotak Infrastructure Debt Fund Limited 27 BKC, C 27, G Block Bandra Kurla Complex, Bandra (E),	L65110MH1985PLC038137	Associate	20.00	2(6)

Note:

1. *Kotak India Growth Fund III ("KIGF III") is a subsidiary of the Company. KIGF III is a SEBI registered Category II Alternative Investment Fund under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.*
2. *Kotak Special Situations Fund ("KSSF") is an associate of the Company. KSSF is a SEBI registered Category II Alternative Investment Funds under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.*

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	2250070[1]	2250070	41.37	2250010	60	2250070	41.37	-
e) Banks/FI	-	3189386	3189386	58.63	-	3189386	3189386	58.63	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	**-**	**5439456**	**5439456**	**100.00**	**2250010**	**3189446**	**5439456**	**100.00**	**-**
2) Foreign									
a) NRIs - Individuals	-	-		-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-		-	-	-	-
Sub total (A) (2)	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**5439456**	**5439456**	**100.00**	**2250010**	**3189446**	**5439456**	**100.00**	**-**
B. Public Shareholding as per classification given by Depository									
1. Institutions									
a) Mutual Funds	-	-		-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-		-	-	-	
f) Insurance Companies	-	-		-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-		-	-	-	
b) Individuals	-	-		-	-	-	-	-	-

Category of Shareholders			No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)		-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1]60 Shares are held jointly with nominees

[2]60 Shares are held jointly with nominees

	Category	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**-**	**5439456**	**5439456**	**100.00**	**2250010**	**3189446**	**5439456**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. N o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kotak Mahindra Bank Limited	3189386	58.63	None	3189386	58.63	None	
2	Kotak Mahindra Capital Company Limited	2250070*	41.37	None	2250070*	41.37	None	
	Total	**5439456**	**100.00**	**-**	**5439456**	**100.00**	**-**	**-**

**60 Shares are held jointly with nominees*

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

There is no change in the Promoters' Holding during the financial year ended on 31st March, 2019.

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	54,39,456	100.00	54,39,456	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	54,39,456	100.00	54,39,456	100.00

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : None**

Sl. no.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) **Shareholding of Directors and Key Managerial Personnel: None**

Sl. no.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS: None

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

(₹ in Lacs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lakhs)

(₹ in Lacs)

Sr. no.	Particulars of Remuneration	S. Sriniwasan (Managing Director)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	286.88	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37.06	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	Cost included in above 1(b)	Cost included in above 1(b)
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- Others, specify…		
5	Others, please specify	-	-
	Total (A)	323.94	-
	Ceiling as per the Act	-	-

kotak

B. Remuneration to other directors: Not Applicable

(₹ in Lacs)

SL. No.	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
1	**Independent Directors**					
	• Fee for attending board /committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	**-**	**-**	**-**	**-**	**-**
2	**Other Non-Executive Directors**					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others –Please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**-**	**-**	**-**	**-**	**-**
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.79	-	-	-
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961@	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify…				
5	Others, please specify	-	-	-	-
	Total	**13.79**	**-**	**-**	**-**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Independent Auditor's Report

To the Members of Kotak Investment Advisors Limited

Report on the audit of the Standalone financial statements

OPINION

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

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

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

OTHER INFORMATION

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

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

9. 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.

10. 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.

OTHER MATTER

11. The financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2018 and March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 20, 2018 and April 24, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

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

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

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

i. The Company does not have any pending litigations as at March 31, 2019, which would impact its financial position, refer to note 30 of the standalone financial statements;

ii. Provision has been made in the standalone financial statements, as required by the applicable laws and accounting principles generally accepted in India, for material foreseeable losses, on long-term contracts – Refer Note 36 to the standalone financial statements. The Company did not have any derivative contracts as at March 31, 2019;

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

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119

Mumbai
June 28, 2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Kotak Investment Advisors Limited on the financial statements for the year ended March 31, 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119

Mumbai
June 28, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Kotak Investment Advisors Limited on the financial statements as of and for the year ended March 31, 2019

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

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

(c) The Company does not own any immovable properties as disclosed in Note 4 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

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

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans or investments made, or guarantees or security provided by it, to the extent applicable. The Company has not granted any loans or provided any guarantees or security in connection with any loan taken by party covered under Section 185 of the Act.

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

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

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

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

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

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

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

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

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119

Mumbai
June 28, 2019

Standalone Balance Sheet

As At March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	192.12	223.69	142.83
(b) Intangible assets	5	3.62	8.29	13.98
(c) Financial assets				
(i) Investments	6	25,335.48	26,262.28	28,374.55
(ii) Loans	7	0.69	-	-
(iii) Other non-current financial assets	8	0.45	-	-
(d) Tax assets (net)		646.33	458.36	331.85
(e) Deferred tax assets (net)	28	0.19	-	-
(f) Other non-current assets	9	1,119.68	1,746.28	2,241.89
Total non-current assets		**27,298.56**	**28,698.90**	**31,105.10**
Current assets				
(a) Financial assets				
(i) Investments	10	3,356.63	6,096.68	1,317.50
(ii) Trade receivables	11	12.70	12.69	7.10
(iii) Cash and cash equivalents	12	0.08	0.10	83.87
(iv) Bank balance other than (iii) above	13	8,865.60	4,448.50	237.00
(v) Loans	14	6.62	-	17.89
(vi) Other current financial assets	15	266.58	376.63	239.59
(b) Other current assets	16	1,515.70	1,596.10	705.83
Total current assets		**14,023.91**	**12,530.70**	**2,608.78**
Total assets		**41,322.47**	**41,229.60**	**33,713.88**
LIABILITIES AND EQUITY				
EQUITY				
(a) Equity share capital	17	543.95	543.95	459.20
(b) Other equity	18	38,257.78	37,510.29	29,829.01
Total equity		**38,801.73**	**38,054.24**	**30,288.21**
LIABILITIES				
Non-current liabilities				
(a) Provisions	19	182.37	139.08	145.45
(b) Deferred tax liabilities (net)	28	-	470.24	184.54
(c) Other non-current liabilities	20	206.94	408.38	609.27
Total non-current liabilities		**389.31**	**1,017.70**	**939.26**
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		442.90	713.95	1,837.40
(ii) Other current financial liabilities	21	962.81	240.05	197.55
(b) Other current liabilities	22	406.00	864.43	340.75
(c) Current tax liabilities (net)		62.80	63.11	11.53
(d) Provisions	23	256.92	276.12	99.18
Total current liabilities		**2,131.43**	**2,157.66**	**2,486.41**
Total equity and liabilities		**41,322.47**	**41,229.60**	**33,713.88**
See accompanying notes to the financial statements				
Significant Accounting Policies and Notes to Accounts	3			

In terms of our report attached.
For Price Waterhouse
Firms Registration Number : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No. 101119

Mumbai
Dated : June 28, 2019

For and on behalf of the Board of Directors

S Sriniwasan
Managing Director
DIN: 00382697

Dipak Gupta
Director
DIN: 00004771

Rajeev Saptarshi
Chief Operating Officer
Dated : June 24, 2019

Umang Patel
Company Secretary

kotak

Standalone Statement of Profit and Loss

For The Year Ended March 31, 2019

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
	REVENUE			
I	Revenue from operations	24	6,912.29	8,826.81
II	Other income	25	900.54	595.33
III	**Total Income (I+II)**		**7,812.83**	**9,422.14**
IV	**EXPENSES**			
	Employee benefits expenses	26	4,233.00	5,302.67
	Depreciation, amortization and impairment	4,5	91.11	84.36
	Other expenses	27	2,880.50	687.80
	Total Expenses (IV)		**7,204.61**	**6,074.83**
V	**Profit before tax (III-IV)**		608.22	3,347.31
VI	**Tax expense**	28		
	(1) Current tax		337.53	325.37
	(2) Current tax pertaining to prior periods		18.89	(23.74)
	(3) Deferred tax charge/(credit)		(470.43)	285.71
	Total tax expense/(credit) (1+2+3)		**(114.01)**	**587.34**
VII	**Profit for the year (V-VI)**		722.23	2,759.97
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		(34.53)	(51.01)
	Income tax relating to Items that will not be reclassified to Profit or Loss		11.53	16.87
			(23.00)	**(34.14)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**699.23**	**2,725.83**
X	**Earnings per equity share**	29		
	Basic & Diluted(₹)		13.28	53.33
See accompanying notes to the financial statements				
Significant Accounting Policies and Notes to Accounts		3		

In terms of our report attached.
For Price Waterhouse
Firms Registration Number : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No. 101119

Mumbai
Dated : June 28, 2019

For and on behalf of the Board of Directors

S Sriniwasan
Managing Director
DIN: 00382697

Dipak Gupta
Director
DIN: 00004771

Rajeev Saptarshi
Chief Operating Officer
Dated : June 24, 2019

Umang Patel
Company Secretary

Standalone Statement of Cash Flow

for the year ended March 31, 2019

(₹ in lakhs)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax			608.22	3,347.31
Adjustments:				
(a)	Depreciation / amortization		91.11	84.36
(b)	(Profit) / Loss on sale of property, plant and equipments		(20.60)	(19.60)
(c)	Net gain / (loss) on fair value changes- current investment		(89.80)	(222.97)
(d)	Net gain/ (loss) on fair value changes- non current investment		(1,553.02)	(1,465.02)
(e)	Impairment Loss		1.26	(2,071.59)
(f)	ESOP expense		48.26	45.51
(g)	Actuarial gain/loss		(34.53)	(51.01)
(h)	Dividend income		(0.44)	(0.85)
(i)	Interest income on debentures		-	(1,819.72)
(j)	Interest income on fixed deposits		(375.85)	(42.65)
Operating profit before working capital changes			**(1,325.39)**	**(2,216.23)**
Working capital changes				
(a)	Increase / (decrease) in trade payables		(271.06)	(1,123.45)
(b)	Increase / (decrease) in other short term provisions		(19.19)	176.93
(c)	Increase / (decrease) in other current financial liabilities		722.76	42.50
(d)	Increase / (decrease) in other current liabilities		(458.43)	523.68
(e)	Increase / (decrease) in other long term provisions		43.29	(6.37)
(f)	Increase / (decrease) in other non current liabilities		(201.44)	(200.89)
(g)	(Increase) / decrease in trade receivables		0.00*	(5.55)
(h)	(Increase) / decrease in long-term loan		(0.69)	-
(i)	(Increase) / decrease in short-term loan		(6.67)	18.01
(j)	(Increase) / decrease in other current assets		80.35	(891.45)
(k)	(Increase) / decrease in other non-current assets		672.48	495.61
(l)	(Increase) / decrease in other current financial assets		110.54	(136.87)
(m)	(Increase) / decrease in other non-current financial assets		(0.45)	-
Cash used in operations			**(653.90)**	**(3,324.08)**
Income tax paid (net of refunds)			(533.16)	(359.70)
Net cash flows (used in) operating activities		**(A)**	**(1,187.06)**	**(3,683.78)**
CASH FLOW FROM INVESTING ACTIVITIES				
(a)	Purchase of Property, Plant & Equipment		(100.97)	(163.02)
(b)	Proceeds from sale of Property, Plant & Equipment		20.82	23.09
(c)	Fixed deposits placed		(17,693.21)	(7,404.00)
(d)	Proceeds from fixed deposits		13,307.25	3,193.50

(₹ in lakhs)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
(e)	Purchase of investments		(13,365.00)	(27,497.80)
(f)	Sale of investments		18,619.87	26,085.04
(g)	Dividend income		160.69	55.60
(h)	Interest received		343.05	40.42
(i)	Income / (Loss) from venture fund / alternate investment fund		(105.46)	1,649.32
(j)	Interest income on debentures		-	2,623.17
Net cash flows generated from / (used in) investing activities		**(B)**	**1,187.04**	**(1,394.68)**
CASH FLOW FROM FINANCING ACTIVITIES				
(a)	Proceeds from issuance of equity share capital		-	4,999.99
(b)	Amounts utilised towards share issue expenses		-	(5.30)
Net cash flows generated from financing activities		**(C)**	**-**	**4,994.69**
Net decrease in cash and cash equivalents		**(A+B+C)**	**(0.02)**	**(83.77)**
Cash and cash equivalents at the beginning of the year			0.10	83.87
Cash and cash equivalents at the end of the year			**0.08**	**0.10**
Reconciliation of cash and cash equivalents with the balance sheet				
Cash and cash equivalents as per balance sheet (refer note 12)				
Balances with banks in current account			0.08	0.10
Less: Impairment loss allowance			(0.00)*	(0.00)*
Cash and cash equivalents as restated as at the year end			**0.08**	**0.10**
See accompanying notes to the financial statements				

** Denotes less than* ₹ 500

Notes:
1) The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.
2) Non- cash financing activity -
   ESOP from parent of ₹ 48.26 lakh for year ended March 31, 2019 (Previous year - ₹ 45.51 lakh)

In terms of our report attached.
For Price Waterhouse
Firms Registration Number : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No. 101119

Mumbai
Dated : June 28, 2019

For and on behalf of the Board of Directors

S Sriniwasan
Managing Director
DIN: 00382697

Dipak Gupta
Director
DIN: 00004771

Rajeev Saptarshi
Chief Operating Officer

Umang Patel
Company Secretary

Dated : June 24, 2019

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance at the beginning of the reporting period	543.95	459.20	459.20
Changes in equity share capital during the year	-	84.75	-
Balance at the end of the reporting period	543.95	543.95	459.20

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Securities premium	Capital redemption reserve	Contribution from Parent	Retained earnings	Total
Balance as at April 01, 2017	-	55.00	94.54	29,679.47	29,829.01
Profit for the year	-	-	-	2,759.97	2,759.97
Other comprehensive income for the year (net of tax)	-	-	-	(34.14)	(34.14)
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**2,725.83**	**2,725.83**
Transfer/utilisations	-	-	45.51	-	45.51
Issue of Equity shares during the year	4,915.24	-	-	-	4,915.24
Share Issue Expenses	-	-	-	(5.30)	(5.30)
Balance as at March 31, 2018	**4,915.24**	**55.00**	**140.05**	**32,400.00**	**37,510.29**
Profit for the year	-	-	-	722.23	722.23
Other comprehensive income for the year (net of tax)	-	-	-	(23.00)	(23.00)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**699.23**	**699.23**
Transfer/utilisations	-	-	48.26	-	48.26
Balance as at March 31, 2019	**4,915.24**	**55.00**	**188.31**	**33,099.23**	**38,257.78**

In terms of our report attached.
For Price Waterhouse
Firms Registration Number : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No. 101119

Mumbai
Dated : June 28, 2019

For and on behalf of the Board of Directors

S Sriniwasan
Managing Director
DIN: 00382697

Dipak Gupta
Director
DIN: 00004771

Rajeev Saptarshi
Chief Operating Officer

Umang Patel
Company Secretary

Dated : June 24, 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

1. CORPORATE INFORMATION

Kotak Investment Advisors Limited ("KIAL or the Company") is a public company domiciled in India and incorporated on March 31,1994 with its registered office situated at 7th Floor, 27 BKC, Bandra Kurla Complex, Bandra (East), Mumbai 400051. The Company acts as the investment manager to domestic venture capital, private equity and alternative investment funds operating in the alternate assets domain and also provides non-binding advisory services to various companies including offshore funds managed by international subsidiaries of Kotak Mahindra Bank Limited.

2. BASIS OF PREPARATION

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in lnd AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017 and the comparative previous year has been restated / reclassified. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Equity, Statement of Profit and Loss and Cash Flows are provided in Note 38.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2017 being the 'date of transition to Ind AS'. These standalone financial statements were authorized for issue by the Company's Board of Directors on June 24, 2019.

B. 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.

C. Functional and presentation currency

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

D. Basis of measurement

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

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

E. 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:

Schedules forming part of Balance Sheet and Profit and Loss Account

I. Revenue

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

The Company recognises revenue from investment management services and advisory services over time because the customer simultaneously receives and consumes the benefits of the Company's performance, as it performs.

(b) Variable performance fees

Variable performance fees is not included in the transaction price until it is highly probable that a significant reversal will not occur. These performance fees are dependent upon exceeding specified investment return thresholds and other milestones. Such fees are recorded upon completion of the measurement period or achievement of milestones.

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 34.

IV. Recognition of deferred tax assets

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

V. Recognition and measurement of provisions and contingencies

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

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 rate 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 35.

Schedules forming part of Balance Sheet and Profit and Loss Account

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 36.

IX. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest (‘SPPI’) and the business model test. The Company determines the business model at a level that reflects how group 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 financial instruments 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 as 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.

F. Standard issued but not effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (‘MCA’) on March 30, 2019) which are effective for annual period beginning after April 1, 2019. The Company intends to adopt these standards or amendments from the effective date.

Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the

Schedules forming part of Balance Sheet and Profit and Loss Account

operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

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

G. Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

I. Amendment to Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments

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

II. Amendments to Ind AS 12 Income Taxes

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

III. Amendments to Ind AS 19 Employee Benefits

This amendment requires:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

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

Computers	3 years
Office Equipment	5 years
Vehicles	4 years

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

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

B. Intangible assets

i. Recognition and measurement

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Software (including development) expenditure	3 years

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

C. Accounting for Operating Leases as a Lessee

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

D. 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.

Schedules forming part of Balance Sheet and Profit and Loss Account

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.

Fees

a. Revenue from investment management services is recognized over the tenure of service at the rates specified in the investment management agreement from the date of initial closing of funds under management. For certain funds managed by the Company, management fees is based on the net asset value of the fund. Hence, such fees are considered as variable consideration which are included in the transaction price to the extent that no significant revenue reversal will occur (i.e. when the uncertainties related to the variability are resolved).

b. Establishment fees is recorded as revenue over the tenure of the fund since the performance obligation is satisfied over the tenure of the services provided.

c. Revenue from advisory services are recognized over the tenure of service as per terms of contract. Advisory fees related to successful completion of a milestone is recognised as revenue only when such milestone is achieved.

Contract costs

Set-up costs and referral fees which are incremental cost of obtaining a contract are recognised as an asset and amortised over the tenure of the contract.

Income from venture fund / alternate investment fund

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

Interest Income

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

Dividend Income

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

E. Income Tax

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

Current tax

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

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

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

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to 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.

MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

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 government provident fund is considered as defined contribution plans and is 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.

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

New Pension Scheme
The Company contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by PFRDA appointed pension fund manager. The Company recognizes such contributions as an expense in the year they are incurred.

Defined Benefit Plan

Gratuity
The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company has formed a Trust "Kotak Investment Advisors Employees Gratuity Fund" which has taken group gratuity policies with an insurance company which is funded. The trust is recognized by the Income Tax Authorities and is administered through trustees and / or the insurance companies. 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. The fair value of the assets available with the insurance companies is compared with the gratuity liability as per the independent actuarial valuation at the year end and shortfall, if any, is provided in the financial statements.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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 conducted by actuary of fellow subsidiary.

G. Foreign Currency transactions

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

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

H. Borrowing costs

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

I. Earnings per share

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

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

J. 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.

K. Provisions and contingent liabilities

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

Contingent liabilities are not recognised but disclosed in the notes.

L. Share based payments

Employees Stock Options Plans ("ESOPs") - Equity settled

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

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in 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 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 Expenses.

M. 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 39.

N. 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, Initial measurement and Derecognition

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.

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

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

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

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

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

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

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest 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)

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.

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

Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 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

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.

O. 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, investment in debt instruments, security deposit, employee loans, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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

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

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

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.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

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

- **Stage 1: 12 month ECL:**
  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (not credit impaired):**
  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

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

- **Stage 3: Lifetime ECL (credit impaired):**
  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

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

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.

Manner in which forward looking assumptions has been incorporated in ECL estimates:
The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

P. 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.

Q. 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.

R. Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

S. Offsetting

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

T. Measurement of fair values

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in equity instruments, mutual funds, debentures, preference shares and units of the venture fund/alternate investment fund.

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

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

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

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

U. 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.

V. 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.

W. Optional exemptions and Mandatory exceptions under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS)

Optional exemptions:

I. Deemed cost

The Company has elected to account for property plant and equipment and intangible assets at their previous GAAP carrying amount as on April 01, 2017 i.e. deemed cost as at the date of transition.

II. Share-based payments

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

III. Investment in subsidiaries, joint venture and associates

The Company has elected to measure investment in subsidiaries and associate at their previous GAAP carrying amount as on April 01, 2017 i.e. deemed cost as at the date of transition.

Mandatory exceptions:

I. Estimates

The estimates at April 01, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

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

II. Derecognition of financial assets and financial liabilities

In accordance with Ind AS 101, the Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

III. Classification of financial assets

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

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Computers	Vehicles	Office equipment	Total
Deemed cost as at April 01, 2017	10.16	132.22	0.45	142.83
Additions during the year	4.78	158.24	-	163.02
Disposals during the year	-	(3.65)	-	(3.65)
Balance as at March 31, 2018	**14.94**	**286.81**	**0.45**	**302.20**
Accumulated depreciation				
Depreciation for the year	7.09	71.25	0.33	78.67
Disposals during the year	-	(0.16)	-	(0.16)
Balance as at March 31, 2018	**7.09**	**71.09**	**0.33**	**78.51**
Net carrying amount as at March 31, 2018	**7.85**	**215.72**	**0.12**	**223.69**
Balance as at April 1, 2018	14.94	286.81	0.45	302.20
Additions during the year	6.69	48.40	-	55.09
Disposals during the year	-	(0.22)	-	(0.22)
Balance as at March 31, 2019	**21.63**	**334.99**	**0.45**	**357.07**
Accumulated depreciation as at April 1, 2018	7.09	71.09	0.33	78.51
Depreciation for the year	5.65	80.67	0.12	86.44
Disposals during the year	-	-	-	-
Balance as at March 31, 2019	**12.74**	**151.76**	**0.45**	**164.95**
Net carrying amount as at March 31, 2019	8.89	183.23	-	192.12

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the property plant and equipment as on the date of transition (April 01, 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2017 under the previous GAAP.

(₹ in lakhs)

Particulars	Computers	Vehicles	Office equipment	Total
Gross Block	60.83	340.26	6.58	407.67
Accumulated Depreciation	(50.67)	(208.04)	(6.13)	(264.84)
Net Block	**10.16**	**132.22**	**0.45**	**142.83**

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

Commitments to purchase Property Plant and Equipment
There are no commitments to purchase Property Plant and Equipment.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 5 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Total
Deemed cost as at April 01, 2017	**13.98**	**13.98**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2018	**13.98**	**13.98**
Accumulated amortisation and impairment		
Amortisation for the year	5.69	5.69
Disposals during the year	-	-
Balance as at March 31, 2018	**5.69**	**5.69**
Net carrying amount as at March 31, 2018	**8.29**	**8.29**
Balance as at April 1, 2018	13.98	13.98
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2019	**13.98**	**13.98**
Accumulated amortisation and impairment	5.69	5.69
Amortisation for the year	4.67	4.67
Disposals during the year	-	-
Balance as at March 31, 2019	**10.36**	**10.36**
Net carrying amount as at March 31, 2019	**3.62**	**3.62**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the intangible assets as on the date of transition (April 1,2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 01, 2017 under the Previous GAAP.

(₹ in lakhs)

Particulars	Software	Total
Gross Block	41.71	41.71
Accumulated amortisation and impairment	(27.73)	(27.73)
Net Block	13.98	13.98

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 6 NON-CURRENT ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Quoted (Carried at FVTPL)						
Equity shares		-		160.95		174.91
Quoted (Carried at Amortised Cost)						
Debentures						10,031.98
Less: Impairment loss allowance		-		-		(2,893.87)
Total (Quoted)		**-**		**160.95**		**7,313.02**
Unquoted (Carried at Cost)						
Equity shares		-		-		-
In Associates						
-Kotak Infrastructure Debt Fund Limited	62,000,000	6,200.00	62,000,000	6,200.00	62,000,000	6,200.00
Unquoted (Carried at FVTPL)						
Investments in units of alternate investments funds						
In Subsidiary						
-Kotak India Growth Fund III		1,853.72		1,585.23		1,365.31
In Associates						
-Kotak Special Situations Fund		-		-		-
-Equity shares		153.23		713.13		889.88
In Joint Venture						
-Meriton Infotech Private Limited	-	-	1,154,533	2,740.01	1,154,533	2,668.08
-Preference shares		857.59		163.61		158.16
In Joint Venture						
-Meriton Infotech Private Limited	-	-	89,726	212.94	89,726	198.57
-Debentures		238.49		587.09		867.74
Investments in units of venture capital funds / alternate investments funds		16,032.45		13,899.32		8,713.79
Total (Unquoted)		**25,335.48**		**26,101.33**		**21,061.53**
Total (Quoted + Unquoted)		**25,335.48**		**26,262.28**		**28,374.55**
Aggregate amount of quoted investments (gross)		-		160.95		10,206.88
Market Value of quoted investments (Value of debentures which are not traded have been taken at book value)		-		160.95		7,313.02
Aggregate amount of unquoted investments		25,335.48		26,101.33		21,061.53
Aggregate amount of impairment in value of investments (Quoted + Unquoted)		-		-		(2,893.87)

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 7 NON-CURRENT ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans to employees			
Unsecured, considered good	0.69	-	-
Less: Impairment loss allowance *	(0.00)	-	-
Total	**0.69**	**-**	**-**

*Denotes amount less than ₹ 500

NOTE 8 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Deposit	0.45	-	-
Less: Impairment loss allowance *	(0.00)	-	-
Total	**0.45**	**-**	**-**

*Denotes amount less than ₹ 500

NOTE 9 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Advances	45.88	-	-
Contract Cost (Refer note 40)	1,039.62	1,713.71	2,241.89
Prepaid expenses	34.18	32.57	-
Total	**1,119.68**	**1,746.28**	**2,241.89**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 10 CURRENT ASSETS - INVESTMENT

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Quoted (Carried at FVTPL)						
Equity shares		83.50		-		-
Total (Quoted)		**83.50**		**-**		**-**
Unquoted (Carried at FVTPL)						
Equity shares		608.78		-		-
Preference shares		171.33		-		-
Mutual funds		-		5,928.88		934.98
Investments in Units of Venture Capital Funds / Alternate Investments Funds		2,493.02		167.80		382.52
Total (Unquoted)		**3,273.13**		**6,096.68**		**1,317.50**
Total (Quoted + Unquoted)		**3,356.63**		**6,096.68**		**1,317.50**
Aggregate Amount of Quoted Investments (gross)		83.50		-		-
Market Value of Quoted Investments		83.50		-		-
Aggregate Amount of Unquoted Investments		3,273.13		6,096.68		1,317.50
Aggregate amount of impairment in value of investments (Quoted + Unquoted)		-		-		-

NOTE 11 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured, considered good	12.73	12.73	7.18
Less: Impairment loss allowance	(0.03)	(0.04)	(0.08)
Total	**12.70**	**12.69**	**7.10**

NOTE 12 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks in current account	0.08	0.10	83.91
Less: Impairment loss allowance	(0.00)*	(0.00)*	(0.04)
Total	**0.08**	**0.10**	**83.87**

**Denotes amount less than ₹ 500*

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 13 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance in fixed deposits with original maturity more than 3 months but less than 12 months	8,868.58	4,449.81	237.09
Less: Impairment loss allowance	(2.98)	(1.31)	(0.09)
Total	**8,865.60**	**4,448.50**	**237.00**

NOTE 14 CURRENT ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans to employees			
Unsecured, considered good	6.67	-	18.01
Less: Impairment loss allowance	(0.05)	-	(0.12)
Total	**6.62**	**-**	**17.89**

NOTE 15 OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advances to related parties	96.61	7.20	-
Advances recoverable in cash	170.67	370.62	240.95
	267.28	**377.82**	**240.95**
Less: Impairment loss allowance	(0.70)	(1.19)	(1.36)
Total	**266.58**	**376.63**	**239.59**

NOTE 16 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advances other than capital advances			
Balance with government authorities	118.78	311.00	262.27
Contract Cost (Refer note 40)	862.83	843.00	373.23
Prepaid expenses	45.16	28.92	69.49
Prepayment to Suppliers	19.65	37.60	-
Other receivables	1.05	2.04	0.84
	1,047.47	**1,222.56**	**705.83**
Contract Asset (Refer note 40)	469.46	374.72	-
Less: Impairment loss allowance	(1.23)	(1.18)	-
	468.23	**373.54**	**-**
Total	**1,515.70**	**1,596.10**	**705.83**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 17 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
6,000,000 (March 31, 2018: 6,000,000 April 01, 2017: 5,000,000) equity shares of ₹10 each with voting rights	600.00	600.00	500.00
Issued, subscribed and paid up			
5,439,456 (March 31, 2018: 5,439,456 April 01, 2017: 4,592,000) equity shares of ₹10 each with voting rights	543.95	543.95	459.20

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

(₹ in lakhs)

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each, fully paid-up		
As at April 01, 2017	4,592,000	459.20
Add/(less) : Movement during the year	847,456	84.75
As at March 31, 2018	**5,439,456**	**543.95**
Add/(less) : Movement during the year	-	-
As at March 31, 2019	**5,439,456**	**543.95**

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

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/ ultimate holding company and/ or their subsidiaries/ associates**

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited	3,189,386	58.63%	3,189,386	58.63%	2,341,930	51.00%
Kotak Mahindra Capital Company Limited (60 Shares are held jointly with its nominees)	2,250,070	41.37%	2,250,070	41.37%	2,250,070	49.00%

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited	3,189,386	58.63%	3,189,386	58.63%	2,341,930	51.00%
Kotak Mahindra Capital Company Limited (60 Shares are held jointly with its nominees)	2,250,070	41.37%	2,250,070	41.37%	2,250,070	49.00%

NOTE 18 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Redemption Reserve	55.00	55.00	55.00
Securities Premium	4,915.24	4,915.24	-
Contribution from Parent	188.31	140.05	94.54
Retained earnings	33,099.23	32,400.00	29,679.47
Total	**38,257.78**	**37,510.29**	**29,829.01**

Notes

1. Nature and purpose of reserves other than Retained earnings

Capital Redemption Reserve
The Companies Act 2013 requires companies that purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of shares so purchased shall be transferred to capital redemption reserve account. The amounts credited to the capital redemption reserve, may be applied by the company , in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

2. Other equity movement

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve		
Opening balance	55.00	55.00
Addition during the year	-	-
Closing balance	**55.00**	**55.00**
Securities Premium		
Opening balance	4,915.24	-
Addition during the year	-	4,915.24
Closing balance	**4,915.24**	**4,915.24**
Contribution from Parent		
Opening balance	140.05	94.54
Addition during the year	48.26	45.51
Closing balance	**188.31**	**140.05**
Retained Earnings		
Opening balance	32,400.00	29,679.47
Addition during the year	699.23	2,725.83
Share issue expenses	-	(5.30)
Closing balance	**33,099.23**	**32,400.00**

NOTE 19 NON-CURRENT LIABILITIES - PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Compensated Absences	145.28	121.85	112.64
Stock Appreciation Rights	37.09	17.23	32.81
Total	**182.37**	**139.08**	**145.45**

NOTE 20 OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contract liabilities (Refer note 40)	206.94	408.38	609.27
Total	**206.94**	**408.38**	**609.27**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Book Overdraft	0.61	20.13	-
Employees related payable	962.20	219.92	197.55
Total	**962.81**	**240.05**	**197.55**

NOTE 22 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	155.79	663.54	139.86
Contract liabilities (Refer note 40)	250.21	200.89	200.89
Total	**406.00**	**864.43**	**340.75**

NOTE 23 CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Gratuity	78.82	146.26	14.54
Compensated Absences	101.44	86.05	19.66
Stock Appreciation Rights	76.66	43.81	64.98
Total	**256.92**	**276.12**	**99.18**

NOTE 24 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Management and Advisory Fees	5543.71	5610.08
Establishment Fees	200.89	200.89
Other operating revenues		
Interest Income on debentures	-	1,819.72
Dividend income - non-current investments	0.44	0.85
Net gain/ (loss) on fair value changes- current investment	(256.06)	(75.30)
Net gain/ (loss) on fair value changes- non current investment	1,423.31	1,270.57
Total	**6,912.29**	**8,826.81**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 25 OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
Fixed Deposits	375.85	42.65
Income tax refund	1.23	11.53
Others	0.01	0.14
Net gains / (loss) on fair value changes- current investment	345.86	298.28
Net gains / (loss) on fair value changes- non current investment	129.71	194.45
Net gain on sale of Property, Plant and Equipment	20.60	19.60
Others	27.28	28.68
Total	**900.54**	**595.33**

NOTE 26 EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	3,827.52	4,818.57
Contribution to provident and other funds	217.62	209.93
Employee Stock Options Plan	48.26	45.51
Stock Appreciation Rights	62.27	46.67
Gratuity	27.79	91.32
Compensated absences	29.42	79.62
Staff welfare expenses	20.12	11.05
Total	**4,233.00**	**5,302.67**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 27 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	774.58	796.71
Communication cost	524.31	458.74
Advisory Referral Fees	831.10	561.20
Advertisement, Marketing and Business Promotion	32.78	15.86
Rates and taxes	31.53	62.05
Repairs and maintenance	22.98	99.10
Travelling and conveyance	122.31	125.35
Membership, subscription and conference	106.06	106.37
Payment to auditors		
As Statutory Audit Fees	18.00	13.50
For Reimbursement of Expenses	0.30	0.32
Legal, professional and consultancy charges	189.67	382.57
Insurance	7.06	17.67
Stamping Expense	11.41	1.30
Office and Other Expenses	207.15	118.69
Impairment loss on:		
Loans	0.05	(0.12)
Investments	-	(2,073.67)
Trade Receivables	(0.01)	(0.04)
Bank Balance	1.66	1.19
Contract Assets	0.05	1.18
Other Financial assets	(0.49)	(0.17)
Total	**2,880.50**	**687.80**

NOTE 28 TAX EXPENSE

(a) Amounts recognised in profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense		
Current period	337.53	325.37
Changes in estimates related to prior years	18.89	(23.74)
Total current tax expense (A)	356.42	301.63
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(380.87)	546.22
Reduction in tax rate	105.23	(132.98)
Recognition of previously unrecognised tax losses	(544.40)	(396.37)
Change in recognised deductible temporary differences	349.61	268.84
Deferred tax expense (B)	(470.43)	285.71
Tax expense / (benefit) for the year (A)+(B)	**(114.01)**	**587.34**

Schedules forming part of Balance Sheet and Profit and Loss Account

(b) Amounts recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to profit or loss		
Tax effect of remeasurements of defined benefit liability (asset)	11.53	16.87
Total	**11.53**	**16.87**

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	608.22	3,347.31
Company's domestic tax rate (%)	33.38	33.06
Tax at the domestic tax rate	203.05	1,106.72
Tax effect of:		
Tax impact of income not subject to tax	(153.12)	(34.25)
Tax impact of VCF / AIF income	159.04	27.01
Tax effects of amounts which are not deductible for taxable income	200.76	41.07
Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense	(544.40)	(396.37)
Effect of different tax rate	105.23	(132.98)
Changes in estimates related to prior years	18.89	(23.74)
Previously unrecognised deferred tax recognised	(84.59)	-
Others	(18.87)	(0.12)
Total income tax expenses / (benefit)	**(114.01)**	**587.34**

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	As at March 31, 2019				
	Net opening balance	Recognised in profit or loss	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)					
Property, plant and equipment	42.43	12.28	54.71	54.71	-
Provision for compensated absences	57.83	24.53	82.36	82.36	-
Stock appreciation rights scheme	16.98	20.99	37.97	37.97	-
Investments	(472.27)	65.74	(406.53)	-	406.53
Income from VCFs/AIFs	-	259.69	259.69	259.69	-
Employee benefits	-	3.46	3.46	3.46	-
Deferred income	169.50	(33.16)	136.34	136.34	-
Contract cost	(660.39)	25.27	(635.12)	-	635.12
Effective interest rate adjustment	-	-	-	-	-
Impairment loss allowance	1.04	0.63	1.67	1.67	-
MAT Credit Entitlement	374.64	91.00	465.64	465.64	-
Total	**(470.24)**	**470.43**	**0.19**	**1,041.84**	**1,041.65**

Schedules forming part of Balance Sheet and Profit and Loss Account

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	As at March 31, 2018				
	Net opening balance	Recognised in profit or loss	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)					
Property, plant and equipment	49.47	(7.04)	42.43	42.43	-
Provision for compensated absences	43.74	14.09	57.83	57.83	-
Stock appreciation rights scheme	11.44	5.54	16.98	16.98	-
Investments	(686.29)	214.02	(472.27)	-	472.27
Deferred income	267.86	(98.36)	169.50	169.50	-
Contract cost	(864.64)	204.25	(660.39)	-	660.39
Effective interest rate adjustment	(119.62)	119.62	-	-	-
Impairment loss allowance	957.36	(956.32)	1.04	1.04	-
MAT Credit Entitlement	156.14	218.50	374.64	374.64	-
Total	**(184.54)**	**(285.70)**	**(470.24)**	**662.42**	**1,132.66**

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

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

(e) Tax losses carried forward (based on Return of income filed by the company)

(₹ in lakhs)

Particulars	As at March 31, 2019	Expiry date	As at March 31, 2018	Expiry date	As at April 01, 2017	Expiry date
Long Term Capital Loss	453.54	March 31, 2023	453.54	March 31, 2023	453.54	March 31, 2023
Long-Term Capital Loss	1,017.97	March 31, 2025	1,017.97	March 31, 2025		
Loss from business other than loss from speculative business and specified business	261.76	March 31, 2025	1,184.47	March 31, 2025		
Unabsorbed Depreciation	-	-	63.84	Indefinite		
Long-Term Capital Loss	487.39	March 31, 2026				
	2,220.66		**2,719.82**		**453.54**	

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 29 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.

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A)	Net profit attributable to equity holders	722.23	2,759.97
B)	Adjustments	-	-
C)	**Profit attributable to equity holders of the Company adjusted for the effect of dilution**	**722.23**	**2,759.97**
D)	**Weighted average number of ordinary shares**		
	Issued ordinary shares at the beginning of the year	54.39	45.92
	Effect of shares issued for cash	-	5.83
	Weighted average number of shares (in lakhs) at the end of the year for basic EPS	**54.39**	**51.75**
E)	Face value per share (INR)	10.00	10.00
F)	**Basic and Diluted earnings per share (INR)**	**13.28**	**53.33**

NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contingent liabilities:				
a)	Bank Guarantee given	1,000.00	-	-
	Total	**1,000.00**	**-**	**-**
Commitments:				
The Company is contingently liable in respect of future investment commitment to :-				
a)	- Kotak India Growth Fund II	180.00	180.00	180.00
b)	- SBI Macquarie Infrastructure Trust	11.88	21.61	29.48
c)	- LICHFL Urban Development Fund	22.80	48.10	63.20
d)	- Kotak India Real Estate Fund VIII	12,738.66	14,108.10	17,695.18
e)	- India Whizdom Fund	-	-	2,500.00
f)	- Nirmal Lifestyle Limited	-	-	340.00
g)	- Kotak India Growth Fund III	6,325.34	6,343.79	6,343.79
h)	- Kotak India Real Estate fund IX	1,036.78	-	-
i)	- Kotak India Affordable Housing Fund I	2,969.11	-	-
j)	- Kotak India Venture Fund II	778.32	-	-
k)	- India Office Assets Fund - I	14,339.40	-	-
l)	- Kotak Special Situations Fund	89,238.20	-	-
	Total	**127,640.49**	**20,701.60**	**27,151.65**
	Total Contingent Liabilities and Commitments	**128,640.49**	**20,701.60**	**27,151.65**

Schedules forming part of Balance Sheet and Profit and Loss Account

Provident Fund

"On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of ""Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of ""basic wages"" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. In Company's assessment, the above judgement is not likely to have a significant impact on the financial statements and therefore presently no provision has been made in the Financial Statements.

NOTE 31 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of the Section 135 of the Companies Act, 2013, the Company is not required to spend any amount during the year on CSR activities.

Details of CSR expenditure

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ending on March 31, 2019:			
Construction/ acquisition of any asset	-	-	-
On purposes other than above	-	-	-
Amount spent during the year ending on March 31, 2018:			
Construction/acquisition of any asset	-	-	-
On purposes other than above	-	-	-

NOTE 32 RELATED PARTY DISCLOSURES

Related party disclosures are given below:

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
a)	**Holding company:**		
	Kotak Mahindra Bank Limited	India	
	2019		58.63%
	2018		58.63%
	2017		51.00%
	Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 29.99% of the equity share capital and 19.68% of the paid-up share capital of Kotak Mahindra Bank Limited as on March 31, 2019.		
b)	**Subsidiaries:**		
	Kotak India Growth Fund III (w.e.f. July 29, 2016)	India	
c)	**Joint Venture**		
	Meriton Infotech Private Limited (upto June 29, 2018)	India	

Schedules forming part of Balance Sheet and Profit and Loss Account

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
d)	**Fellow subsidiaries with whom transactions have taken place during the year:**		
	Kotak Securities Limited		
	Kotak Mahindra Capital Company Limited		
	Kotak Mahindra (International) Limited		
	Kotak Mahindra Life Insurance Company Limited (Kotak Life)		
	Kotak Mahindra General Insurance Company Limited		
	Kotak Mahindra Trusteeship Services Limited		
	Kotak Mahindra Asset Management (Singapore) Pte. Limited		
e)	**Entity controlled or jointly controlled by relatives of individual having significant influence over the company**		
	Aero Agencies Limited		
f)	**Associates**		
	Kotak Infrastructure Debt Fund Limited	India	
	Kotak Special Situations Fund	India	
g)	**Associates of fellow subsidiary**		
	Phoenix ARC Private Limited	India	
h)	**Key Management Personnel/Director**		
	Mr. Dipak Gupta, Director		
	Mr. Jaimin Bhatt, Director		
	Ms. Shanti Ekambaram, Director		
	Mr. Jaideep Hansraj, Additional Director		
	(appointed w.e.f March 29, 2019)		
	Mr. Sriniwasan Subramanian, Managing Director		

B. Transactions with key management personnel

i. Key management personnel compensation*

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
i.	Short-term employee benefits	309.81	1,429.02
ii.	Post-employment defined benefit	-	-
iii	Shared-based payments	3.38	8.88

**The above figures do not include provisions for gratuity and compensated absences, as separate actuarial valuations are not available.*

Schedules forming part of Balance Sheet and Profit and Loss Account

ii. Transactions with related parties

Note 32 above provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in lakhs)

		Holding company	Subsidiaries	Joint Venture	Fellow Subsidiaries							
Nature of Transaction	Year ended March 31	Kotak Mahindra Bank Limited	Kotak India Growth Fund III	Meriton Infotech Private Limited	Kotak Mahindra (International) Limited	Kotak Mahindra Asset Management (Singapore) Pte. Ltd	Kotak Mahindra Capital Company Limited	Kotak Securities Limited	Kotak Life	Kotak Mahindra Trusteeship Services Limited	Kotak Mahindra General Insurance Company Ltd.	Kotak Mahindra Investments Limited
Fixed deposit placed	2019	17,693.22			-	-	-	-	-	-	-	-
	2018	7,404.00			-	-	-	-	-	-	-	-
Fixed deposit matured	2019	13,307.25			-	-	-	-	-	-	-	-
	2018	3,193.51			-	-	-	-	-	-	-	-
Interest received	2019	375.85			-	-	-	-	-	-	-	-
	2018	42.65			-	-	-	-	-	-	-	-
Bank Guarantees	2019	2,025.00			-	-	-	-	-	-	-	-
	2018	-			-	-	-	-	-	-	-	-
Other Receipts and Payments												
Issue of Share Capital	2019	-										
	2018	4,999.99										
Purchase of Property, Plant & Equipment	2019	0.37										
	2018	-										
Purchase of Investments	2019	-	18.45	-	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-	-
Travelling expenses	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses from other companies/ Funds	2019	92.06	5.83	-	-	-	0.56	-	-	-	-	-
	2018	13.19	-	-	-	-	-	-	0.75	-	-	3.40
Office & Other Expenses	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-	-
Other Income	2019	-	-		-	-	-	4.20	-	21.00	-	-
	2018	-	-		-	-	-	3.37	-	20.00	-	-
Shared Services / Other expenses / Reimbursement of expenses paid	2019	1,654.89			-	-	47.00	2.16	3.39	-	2.79	-
	2018	1,734.65			0.70	-	41.11	1.64	3.55	-	8.19	-
Brokerage Paid / Payable on Purchase & Sale of Securities	2019	-			-	-	-	-	-	-	-	-
	2018	-			-	-	-	0.13	-	-	-	-
Advisory Fees	2019	-	-		870.00	270.00	-	-	-	-	-	-
	2018	-	-		1,570.00	250.00	-	-	-	-	-	-
Balance Outstanding												
Bank Accounts												
- Fixed deposit account	2019	8,865.60	-	-	-	-	-	-	-	-	-	-
	2018	4,448.50	-	-	-	-	-	-	-	-	-	-
	2017	237.00	-	-	-	-	-	-	-	-	-	-
- Current account	2019	-0.61	-	-	-	-	-	-	-	-	-	-
	2018	-20.13	-	-	-	-	-	-	-	-	-	-
	2017	83.76	-	-	-	-	-	-	-	-	-	-
Bank Guarantee	2019	1,000.00			-	-	-	-	-	-	-	-
	2018	-			-	-	-	-	-	-	-	-
	2017	-			-	-	-	-	-	-	-	-
Advance paid/ Pre- payment to suppliers	2019	-			-	-	-	-	-	-	4.86	-
	2018	-			-	-	-	-	3.39	-	1.70	-
	2017	-			-	-	-	-	-	-	-	-
Loans & Advances	2019	75.12		-	-	-	-	4.54	-	-	-	-
	2018	-			-	-	-	3.80	-	-	-	3.40
	2017	-			-	-	-	-	-	-	-	-
Trade Payables	2019	269.67	-		-	-	4.45	1.13	-	-	-	-
	2018	328.97	-		0.35	-	3.94	0.24	-	-	-	-
	2017	1,689.40	-		7.40	-	0.67	9.90	-	-	-	-
Investments												
Outstanding	2019	-	1,853.72	-	-	-	-	-	-	-	-	-
	2018	-	1,585.23	2,952.95	-	-	-	-	-	-	-	-
	2017	-	1,365.31	2,866.65	-	-	-	-	-	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Nature of Transaction	Associates		Associates of Fellow Subsidiary	Entity controlled by relatives of individual having significant influence over the company
	Kotak Infrastructure Debt Fund Limited	Kotak Special Situatins Fund	Phoenic ARC Private Limited	Aero Agencies Limited
Fixed deposit placed	-			
	-			
Fixed deposit matured	-			
	-			
Interest received	-			
	-			
Bank Guarantees	-			
	-			
Other Receipts and Payments				
Issue of Share Capital				
Purchase of Property, Plant & Equipment			38.79	
			-	
Purchase of Investments	-	-	-	-
	-	-	-	-
Travelling expenses	-	-	-	46.13
	-	-	-	(52.99)
Reimbursement of expenses from other companies/ Funds	-	-	-	-
	-	-	-	-
Office & Other Expenses	-	0.10	-	-
	-	-	-	-
Other Income	-	-	-	-
	-	-	-	-
Shared Services / Other expenses / Reimbursement of expenses paid	-	-	-	-
	-	-	-	-
Brokerage Paid / Payable on Purchase & Sale of Securities	-	-	-	-
	-	-	-	-
Advisory Fees	-	-	-	-
	-	-	-	-
Balance Outstanding				
Bank Accounts				
- Fixed deposit account	-			
	-			
	-			
- Current account	-			
	-			
	-			
Bank Guarantee	-			
	-			
	-			
Advance paid/ Pre- payment to suppliers	-			
	-			
	-			
Loans & Advances	-			
	-			
	-			
Trade Payables	-	-	-	-
	-	-	-	-
	-	-	-	-
Investments				
Outstanding	6,200.00	-	-	-
	6,200.00	-	-	-
	6,200.00	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 33 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 Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease Expense	774.58	796.71
Total	**774.58**	**796.71**

NOTE 34 EMPLOYEE BENEFITS

(i) Defined Contribution Plans:
The Company has recognized the following amounts in the Standalone Statement of profit and loss towards contributions to Provident Fund and Other Funds.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provident Fund	158.00	153.07
Superannuation Fund	1.00	1.00
New Pension Fund	58.62	55.86

(ii) Defined Benefit Plan:

Gratuity
Based on the actuarial valuation, 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 March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of funded defined benefit obligation (A)	284.76	233.60	162.38
Fair value of plan assets (B)	(205.94)	(87.34)	(147.83)
Net (asset) / liability recognised in the Balance Sheet (A+B)	**78.82**	**146.26**	**14.55**

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

(₹ in lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening balance	233.60	162.38	87.34	147.83	146.26	14.55
Included in profit or loss						
Current service cost	17.02	10.25	-	-	17.02	10.25
Past service cost	-	80.39	-	-	-	80.39
Interest cost (income)	16.14	9.85	5.38	9.17	10.76	0.68
	266.76	**262.87**	**92.72**	**157.00**	**174.04**	**105.87**
Included in OCI						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	(0.16)	31.24	-	-	(0.16)	31.24
Financial assumptions	11.32	(8.74)	-	-	11.32	(8.74)
Experience adjustment	30.38	31.43	-	-	30.38	31.43
Actual return on plan assets less interest on plan assets	-	-	7.01	2.92	(7.01)	(2.92)
	41.54	**53.93**	**7.01**	**2.92**	**34.53**	**51.01**
Other						
Contributions paid by the employer	-	-	149.86	19.22	(149.86)	(19.22)
Liabilities assumed / (settled)	20.11	8.60	-	-	20.11	8.60
Benefits paid	(43.65)	(91.80)	(43.65)	(91.80)	-	-
Closing balance	**284.76**	**233.60**	**205.94**	**87.34**	**78.82**	**146.26**
Represented by						
Net defined benefit liability					78.82	146.26

C. Plan assets

Plan assets comprise the following:

(₹ in lakhs)

Category	As at March 31, 2019		As at March 31, 2018	
	(%)	Amount	(%)	Amount
Equity	54.02	111.25	53.96	47.13
Government securities	23.39	48.17	31.92	27.88
Bonds, debentures and other fixed income instruments	16.78	34.56	11.45	10.00
Money market instruments	5.01	10.32	2.25	1.97
Others	0.80	1.64	0.42	0.36
	100.00	**205.94**	**100.00**	**87.34**

Schedules forming part of Balance Sheet and Profit and Loss Account

D. 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 March 31, 2019	As at March 31, 2018
Discount rate	7.15%	7.90%
Salary escalation rate	7.00%	7.00%
Mortality rate	India Assured Lives Mortality (2012-14)	India Assured Lives Mortality (2006-08)

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 March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	(7.64)	8.06	(5.70)	6.01
Salary Escalation Rate (50 bps movement)	2.10	(2.14)	1.64	(1.76)

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

iii. Risk Exposure

The plan assets are invested 100% in Kotak Group Balanced Fund – an insurer managed fund. Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plan may hold equity type assets, which may carry volatility and associated risk.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Salary Risk

The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

E. Expected Future Cash Flows

i. Expected contribution

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

The expected contribution payable to the plan next year is ₹ 20 lakhs

ii. 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	50.47
Expected benefits for Year 2	41.30
Expected benefits for Year 3	34.81
Expected benefits for Year 4	43.90
Expected benefits for Year 5	50.68
Expected benefits for Year 6	18.53
Expected benefits for Year 7	16.51
Expected benefits for Year 8	25.75
Expected benefits for Year 9	23.07
Expected benefits for Year 10 and above	155.59

(iii) Compensated absences:

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total actuarial liability	246.72	207.90	132.30
Assumptions :			
Discount rate	7.15%	7.90%	7.18%
Salary escalation rate	7.00%	7.00%	7.00%

NOTE 35 SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Equity Stock Options Schemes (equity-settled)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, 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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Vesting conditions/ dates	Exercise Date	Contractual Life (In Yrs)
KMEOS2007SR47	May 9, 2015	Equity settled	11,940	665.00	December 31, 2018	June 30, 2019	4.15
ESOPSCHEME2015SR02	May 19, 2016	Equity settled	5,692	708.90	September 30, 2019	March 30, 2020	3.87
ESOPSCHEME2015SR02	May 19, 2016	Equity settled	5,692	708.90	November 30, 2019	May 30, 2020	4.03
ESOPSCHEME2015SR05	August 10, 2016	Equity settled	4,000	764.75	August 15, 2019	February 15, 2020	3.52
ESOPSCHEME2015SR05	August 10, 2016	Equity settled	4,000	764.75	August 15, 2020	February 15, 2021	4.52
ESOPSCHEME2015SR07	May 15, 2017	Equity settled	8,514	954.65	October 31, 2019	April 30, 2020	2.96
ESOPSCHEME2015SR07	May 15, 2017	Equity settled	5,676	954.65	June 30, 2020	December 30, 2020	3.63
ESOPSCHEME2015SR07	May 15, 2017	Equity settled	5,676	954.65	December 31, 2020	June 30, 2021	4.13
ESOPSCHEME2015SR08	May 15, 2017	Equity settled	4,785	954.65	September 30, 2019	March 30, 2020	2.88
ESOPSCHEME2015SR08	May 15, 2017	Equity settled	4,785	954.65	September 30, 2020	March 30, 2021	3.88
ESOPSCHEME2015SR14	May 18, 2018	Equity settled	7,080	1,270.70	July 31, 2019	January 31, 2020	1.71
ESOPSCHEME2015SR14	May 18, 2018	Equity settled	7,080	1,270.70	October 31, 2020	April 30, 2021	2.95
ESOPSCHEME2015SR14	May 18, 2018	Equity settled	4,720	1,270.70	June 30, 2021	December 30, 2021	3.62
ESOPSCHEME2015SR14	May 18, 2018	Equity settled	4,720	1,270.70	December 31, 2021	June 30, 2022	4.12

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Transfer In / (Transfer Out) during the year	Balance as at March 31, 2019	Exercise price (₹)
KMEOS2007SR44	May 9, 2014	1,804.00		(2,428.00)		624.00	-	406.00
KMEOS2007SR47	May 9, 2015	24,960.00		(17,180.00)		4,160.00	11,940	665.00
ESOPSCHEME2015SR02	May 19, 2016	11,865.00		(10,335.00)	(259.00)	10,113.00	11,384	708.90
ESOPSCHEME2015SR05	August 10, 2016	8,000.00					8,000	764.75
ESOPSCHEME2015SR07	May 15, 2017	13,940.00		(8,514.00)	(680.00)	15,120.00	19,866	954.65
ESOPSCHEME2015SR08	May 15, 2017	-				9,570.00	9,570	954.65
ESOPSCHEME2015SR14	May 18, 2018		23,600.00				23,600	1,270.70
		60,569.00	**23,600.00**	**(38,457.00)**	**(939.00)**	**39,587.00**	**84,360.00**	

Scheme reference	Grant date	Balance as at April 01, 2017	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Transfer In / (Transfer Out) during the year	Balance as at March 31, 2018	Exercise price (₹)
KMEOS2007SR44	May 9, 2014	12,376.00		(9,324.00)	(1,248.00)		1,804	406.00
KMEOS2007SR47	May 9, 2015	45,724.00		(19,026.00)	(2,154.00)	416.00	24,960	665.00
ESOPSCHEME2015SR02	May 19, 2016	18,860.00		(5,085.00)	(2,760.00)	850.00	11,865	710.00
ESOPSCHEME2015SR05	August 10, 2016	8,000.00					8,000	765.00
ESOPSCHEME2015SR07	May 15, 2017		14,370.00		(430.00)		13,940	955.00
		84,960.00	**14,370.00**	**(33,435.00)**	**(6,592.00)**	**1,266.00**	**60,569.00**	

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

Scheme	Grant Date	Exercise Price (₹)	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per share options (₹)	Market price (₹)
KMEOS2007SR47	May 9, 2015	665.00	3.90	0.07%	29.29%	8.01%	473.14	665.00
ESOPSCHEME2015SR02	May 19, 2016	710.00	3.37	0.07%	27.96%	7.43%	218.71	708.90
ESOPSCHEME2015SR02	May 19, 2016	710.00	3.70	0.07%	27.35%	7.46%	229.80	708.90
ESOPSCHEME2015SR05	August 10, 2016	765.00	3.20	0.07%	28.05%	7.04%	225.33	764.75
ESOPSCHEME2015SR05	August 10, 2016	765.00	4.21	0.07%	26.75%	7.13%	261.42	764.75
ESOPSCHEME2015SR07	May 15, 2017	955.00	2.71	0.06%	35.44%	6.77%	289.06	954.65
ESOPSCHEME2015SR07	May 15, 2017	955.00	3.38	0.06%	33.81%	6.88%	320.11	954.65
ESOPSCHEME2015SR07	May 15, 2017	955.00	3.88	0.06%	34.20%	6.95%	349.84	954.65
ESOPSCHEME2015SR08	May 15, 2017	955.00	2.63	0.06%	35.84%	6.76%	285.89	954.65
ESOPSCHEME2015SR08	May 15, 2017	955.00	3.63	0.06%	33.27%	6.92%	331.03	954.65
ESOPSCHEME2015SR14	May 18, 2018	1,271.00	1.45	0.06%	18.68%	7.44%	184.60	1,270.70
ESOPSCHEME2015SR14	May 18, 2018	1,271.00	2.71	0.06%	32.95%	7.83%	383.29	1,270.70
ESOPSCHEME2015SR14	May 18, 2018	1,271.00	3.12	0.06%	32.13%	7.97%	433.45	1,270.70
ESOPSCHEME2015SR14	May 18, 2018	1,271.00	3.62	0.06%	31.43%	7.99%	465.70	1,270.70

Schedules forming part of Balance Sheet and Profit and Loss Account

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

ii. Stock appreciation rights (cash-settled)

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

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

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Vesting conditions/dates	Contractual Life (In Yrs)
Series 2015/04 V7	May 19, 2016	Cash settled	505	-	June 30, 2019	3.12
Series 2015/04 V8	May 19, 2016	Cash settled	505	-	July 7, 2019	3.13
Series 2015/04 V9	May 19, 2016	Cash settled	514	-	July 14, 2019	3.15
Series 2015/04 V10	May 19, 2016	Cash settled	505	-	November 30, 2019	3.53
Series 2015/04 V11	May 19, 2016	Cash settled	505	-	December 7, 2019	3.55
Series 2015/04 V12	May 19, 2016	Cash settled	514	-	December 14, 2019	3.57
Series 2015/06 V7	May 19, 2016	Cash settled	102	-	June 30, 2019	3.12
Series 2015/06 V8	May 19, 2016	Cash settled	102	-	July 7, 2019	3.13
Series 2015/06 V9	May 19, 2016	Cash settled	102	-	July 14, 2019	3.15
Scheme 2015 - Series 09 V2-1	May 19, 2016	Cash settled	31	-	October 31, 2019	3.45
Scheme 2015 ? Series 09 V2-1	May 19, 2016	Cash settled	700	-	October 31, 2019	3.45
Scheme 2015 - Series 09 V2-2	May 19, 2016	Cash settled	31	-	November 7, 2019	3.47
Scheme 2015 ? Series 09 V2-2	May 19, 2016	Cash settled	700	-	November 7, 2019	3.47
Scheme 2015 - Series 09 V2-3	May 19, 2016	Cash settled	31	-	November 14, 2019	3.49
Scheme 2015 ? Series 09 V2-3	May 19, 2016	Cash settled	700	-	November 14, 2019	3.49
Scheme 2015 - Series 09 V3-1	May 19, 2016	Cash settled	20	-	June 30, 2020	4.12
Scheme 2015 ? Series 09 V3-1	May 19, 2016	Cash settled	466	-	June 30, 2020	4.12
Scheme 2015 - Series 09 V3-2	May 19, 2016	Cash settled	20	-	July 7, 2020	4.14
Scheme 2015 ? Series 09 V3-2	May 19, 2016	Cash settled	466	-	July 7, 2020	4.14
Scheme 2015 - Series 09 V3-3	May 19, 2016	Cash settled	22	-	July 14, 2020	4.16
Scheme 2015 ? Series 09 V3-3	May 19, 2016	Cash settled	468	-	July 14, 2020	4.16
Scheme 2015 - Series 09 V4-1	May 19, 2016	Cash settled	20	-	December 31, 2020	4.62
Scheme 2015 ? Series 09 V4-1	May 19, 2016	Cash settled	466	-	December 31, 2020	4.62
Scheme 2015 - Series 09 V4-2	May 19, 2016	Cash settled	20	-	January 7, 2021	4.64
Scheme 2015 ? Series 09 V4-2	May 19, 2016	Cash settled	466	-	January 7, 2021	4.64
Scheme 2015 - Series 09 V4-3	May 19, 2016	Cash settled	22	-	January 14, 2021	4.66
Scheme 2015 ? Series 09 V4-3	May 19, 2016	Cash settled	468	-	January 14, 2021	4.66
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	July 31, 2019	1.20
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	August 7, 2019	1.22

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Vesting conditions/dates	Contractual Life (In Yrs)
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	August 14, 2019	1.24
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	October 31, 2020	2.46
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	November 7, 2020	2.48
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	555	-	November 14, 2020	2.50
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	369	-	June 30, 2021	3.12
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	369	-	July 7, 2021	3.14
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	372	-	July 14, 2021	3.16
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	369	-	December 30, 2021	3.62
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	369	-	January 7, 2022	3.64
Scheme 2015 ? Series 17	May 18, 2018	Cash settled	372	-	January 14, 2022	3.66

Detail of activity under SARs is summarised below:

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Transfer in during the year	Balance as at March 31, 2019
Series 2015/04 V3	May 9, 2015	1,400.00	-	1,400.00	-	-	-
Series 2015/04 V4	May 9, 2015	1,400.00	-	1,400.00	-	-	-
Series 2015/04 V4	May 19, 2016	454.00	-	444.00	10.00	-	-
Series 2015/04 V5	May 19, 2016	454.00	-	444.00	10.00	-	-
Series 2015/04 V6	May 19, 2016	454.00	-	444.00	10.00	-	-
Series 2015/04 V7	May 19, 2016	300.00	-	-	6.00	211.00	505.00
Series 2015/04 V8	May 19, 2016	300.00	-	-	6.00	211.00	505.00
Series 2015/04 V9	May 19, 2016	308.00	-	-	8.00	214.00	514.00
Series 2015/04 V10	May 19, 2016	300.00	-	-	6.00	211.00	505.00
Series 2015/04 V11	May 19, 2016	300.00	-	-	6.00	211.00	505.00
Series 2015/04 V12	May 19, 2016	308.00	-	-	8.00	214.00	514.00
Series 2015/06 V7	May 19, 2016	-	-	-	-	102.00	102.00
Series 2015/06 V8	May 19, 2016	-	-	-	-	102.00	102.00
Series 2015/06 V9	May 19, 2016	-	-	-	-	102.00	102.00
Scheme 2015 - Series 09 V1-1	May 15, 2017	31.00	-	31.00	-	-	-
Scheme 2015 ? Series 09 V1-1	May 15, 2017	268.00	-	253.00	15.00	-	-
Scheme 2015 - Series 09 V1-2	May 15, 2017	31.00	-	31.00	-	-	-
Scheme 2015 ? Series 09 V1-2	May 15, 2017	268.00	-	253.00	15.00	-	-
Scheme 2015 - Series 09 V1-3	May 15, 2017	31.00	-	31.00	-	-	-
Scheme 2015 ? Series 09 V1-3	May 15, 2017	268.00	-	253.00	15.00	-	-
Scheme 2015 - Series 09 V2-1	May 15, 2017	31.00	-	-	-	-	31.00
Scheme 2015 ? Series 09 V2-1	May 15, 2017	268.00	-	-	15.00	447.00	700.00

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Transfer in during the year	Balance as at March 31, 2019
Scheme 2015 - Series 09 V2-2	May 15, 2017	31.00	-	-	-	-	31.00
Scheme 2015 ? Series 09 V2-2	May 15, 2017	268.00	-	-	15.00	447.00	700.00
Scheme 2015 - Series 09 V2-3	May 15, 2017	31.00	-	-	-	-	31.00
Scheme 2015 ? Series 09 V2-3	May 15, 2017	268.00	-	-	15.00	447.00	700.00
Scheme 2015 - Series 09 V3-1	May 15, 2017	20.00	-	-	-	-	20.00
Scheme 2015 ? Series 09 V3-1	May 15, 2017	178.00	-	-	10.00	298.00	466.00
Scheme 2015 - Series 09 V3-2	May 15, 2017	20.00	-	-	-	-	20.00
Scheme 2015 ? Series 09 V3-2	May 15, 2017	178.00	-	-	10.00	298.00	466.00
Scheme 2015 - Series 09 V3-3	May 15, 2017	22.00	-	-	-	-	22.00
Scheme 2015 ? Series 09 V3-3	May 15, 2017	180.00	-	-	10.00	298.00	468.00
Scheme 2015 - Series 09 V4-1	May 15, 2017	20.00	-	-	-	-	20.00
Scheme 2015 ? Series 09 V4-1	May 15, 2017	178.00	-	-	10.00	298.00	466.00
Scheme 2015 - Series 09 V4-2	May 15, 2017	20.00	-	-	-	-	20.00
Scheme 2015 ? Series 09 V4-2	May 15, 2017	178.00	-	-	10.00	298.00	466.00
Scheme 2015 - Series 09 V4-3	May 15, 2017	22.00	-	-	-	-	22.00
Scheme 2015 ? Series 09 V4-3	May 15, 2017	180.00	-	-	10.00	298.00	468.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	175.00	-	-	380.00	555.00
Scheme 2015 ? Series 17	May 18, 2018	-	116.00	-	-	253.00	369.00
Scheme 2015 ? Series 17	May 18, 2018	-	116.00	-	-	253.00	369.00
Scheme 2015 ? Series 17	May 18, 2018	-	118.00	-	-	254.00	372.00
Scheme 2015 ? Series 17	May 18, 2018	-	116.00	-	-	253.00	369.00
Scheme 2015 ? Series 17	May 18, 2018	-	116.00	-	-	253.00	369.00
Scheme 2015 ? Series 17	May 18, 2018	-	118.00	-	-	254.00	372.00
		8,968.00	**1,750.00**	**4,984.00**	**220.00**	**8,507.00**	**14,021.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

Detail of activity under SARs is summarised below:

Scheme reference	Grant date	Balance as at April 01, 2017	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Transfer in / (out) during the year	Balance as at March 31, 2018
Series-2014/02 V3	May 9, 2014	2,188.00	-	1,662.00	526.00	-	-
Series-2014/02 V4	May 9, 2014	2,188.00	-	1,662.00	526.00	-	-
Series 2015/04 V2	May 9, 2015	3,150.00	-	2,100.00	1,086.00	36.00	-
Series 2015/04 V3	May 9, 2015	2,100.00	-	-	724.00	24.00	1,400.00
Series 2015/04 V4	May 9, 2015	2,100.00	-	-	724.00	24.00	1,400.00
Series 2015/04 V1	May 19, 2016	681.00	-	454.00	250.00	23.00	-
Series 2015/04 V2	May 19, 2016	681.00	-	454.00	250.00	23.00	-
Series 2015/04 V3	May 19, 2016	681.00	-	454.00	250.00	23.00	-
Series 2015/04 V4	May 19, 2016	681.00	-	250.00	-	23.00	454.00
Series 2015/04 V5	May 19, 2016	681.00	-	250.00	-	23.00	454.00
Series 2015/04 V6	May 19, 2016	681.00	-	250.00	-	23.00	454.00
Series 2015/04 V7	May 19, 2016	450.00	-	165.00	-	15.00	300.00
Series 2015/04 V8	May 19, 2016	450.00	-	165.00	-	15.00	300.00
Series 2015/04 V9	May 19, 2016	462.00	-	170.00	-	16.00	308.00
Series 2015/04 V10	May 19, 2016	450.00	-	165.00	-	15.00	300.00
Series 2015/04 V11	May 19, 2016	450.00	-	165.00	-	15.00	300.00
Series 2015/04 V12	May 19, 2016	462.00	-	170.00	-	16.00	308.00
Scheme 2015 - Series 09 V1-1	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V1-1	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V1-2	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V1-2	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V1-3	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V1-3	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V2-1	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V2-1	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V2-2	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V2-2	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V2-3	May 15, 2017	-	-	-	-	31.00	31.00
Scheme 2015 ? Series 09 V2-3	May 15, 2017	-	277.00	9.00	-	-	268.00
Scheme 2015 - Series 09 V3-1	May 15, 2017	-	-	-	-	20.00	20.00
Scheme 2015 ? Series 09 V3-1	May 15, 2017	-	184.00	6.00	-	-	178.00
Scheme 2015 - Series 09 V3-2	May 15, 2017	-	-	-	-	20.00	20.00
Scheme 2015 ? Series 09 V3-2	May 15, 2017	-	184.00	6.00	-	-	178.00
Scheme 2015 - Series 09 V3-3	May 15, 2017	-	-	-	-	22.00	22.00
Scheme 2015 ? Series 09 V3-3	May 15, 2017	-	186.00	6.00	-	-	180.00
Scheme 2015 - Series 09 V4-1	May 15, 2017	-	-	-	-	20.00	20.00
Scheme 2015 ? Series 09 V4-1	May 15, 2017	-	184.00	6.00	-	-	178.00
Scheme 2015 - Series 09 V4-2	May 15, 2017	-	-	-	-	20.00	20.00
Scheme 2015 ? Series 09 V4-2	May 15, 2017	-	184.00	6.00	-	-	178.00
Scheme 2015 - Series 09 V4-3	May 15, 2017	-	-	-	-	22.00	22.00
Scheme 2015 ? Series 09 V4-3	May 15, 2017	-	186.00	6.00	-	-	180.00
		18,536.00	**2,770.00**	**8,626.00**	**4,336.00**	**624.00**	**8,968.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Scheme	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (₹)
Series 2015/04 V7	May 19, 2016	0.25	0.05%	20.12%	6.25%	1,334.32
Series 2015/04 V8	May 19, 2016	0.27	0.05%	19.74%	6.26%	1,334.31
Series 2015/04 V9	May 19, 2016	0.29	0.05%	20.04%	6.27%	1,334.30
Series 2015/04 V10	May 19, 2016	0.67	0.05%	27.53%	6.42%	1,334.03
Series 2015/04 V11	May 19, 2016	0.69	0.05%	27.22%	6.43%	1,334.02
Series 2015/04 V12	May 19, 2016	0.71	0.05%	27.23%	6.44%	1,334.00
Series 2015/06 V7	May 19, 2016	0.25	0.05%	20.12%	6.25%	1,334.32
Series 2015/06 V8	May 19, 2016	0.27	0.05%	19.74%	6.26%	1,334.31
Series 2015/06 V9	May 19, 2016	0.29	0.05%	20.04%	6.27%	1,334.30
Scheme 2015 - Series 09 V2-1	May 19, 2016	0.59	0.05%	28.06%	6.39%	1,334.09
Scheme 2015 ? Series 09 V2-1	May 19, 2016	0.59	0.05%	28.06%	6.39%	1,334.09
Scheme 2015 - Series 09 V2-2	May 19, 2016	0.61	0.05%	27.79%	6.40%	1,334.08
Scheme 2015 ? Series 09 V2-2	May 19, 2016	0.61	0.05%	27.79%	6.40%	1,334.08
Scheme 2015 - Series 09 V2-3	May 19, 2016	0.62	0.05%	27.91%	6.41%	1,334.06
Scheme 2015 ? Series 09 V2-3	May 19, 2016	0.62	0.05%	27.91%	6.41%	1,334.06
Scheme 2015 - Series 09 V3-1	May 19, 2016	1.25	0.05%	24.16%	6.58%	1,333.62
Scheme 2015 ? Series 09 V3-1	May 19, 2016	1.25	0.05%	24.16%	6.58%	1,333.62
Scheme 2015 - Series 09 V3-2	May 19, 2016	1.27	0.05%	24.03%	6.59%	1,333.61
Scheme 2015 ? Series 09 V3-2	May 19, 2016	1.27	0.05%	24.03%	6.59%	1,333.61
Scheme 2015 - Series 09 V3-3	May 19, 2016	1.29	0.05%	23.89%	6.59%	1,333.60
Scheme 2015 ? Series 09 V3-3	May 19, 2016	1.29	0.05%	23.89%	6.59%	1,333.60
Scheme 2015 - Series 09 V4-1	May 19, 2016	1.76	0.05%	22.45%	6.64%	1,333.27
Scheme 2015 ? Series 09 V4-1	May 19, 2016	1.76	0.05%	22.45%	6.64%	1,333.27
Scheme 2015 - Series 09 V4-2	May 19, 2016	1.78	0.05%	22.36%	6.65%	1,333.26
Scheme 2015 ? Series 09 V4-2	May 19, 2016	1.78	0.05%	22.36%	6.65%	1,333.26
Scheme 2015 - Series 09 V4-3	May 19, 2016	1.79	0.05%	22.31%	6.65%	1,333.24
Scheme 2015 ? Series 09 V4-3	May 19, 2016	1.79	0.05%	22.31%	6.65%	1,333.24
Scheme 2015 ? Series 17	May 18, 2018	0.33	0.05%	27.91%	6.29%	1334.27
Scheme 2015 ? Series 17	May 18, 2018	0.35	0.05%	27.33%	6.30%	1334.25
Scheme 2015 ? Series 17	May 18, 2018	0.37	0.05%	27.53%	6.31%	1334.24
Scheme 2015 ? Series 17	May 18, 2018	1.59	0.05%	23.04%	6.63%	1333.39
Scheme 2015 ? Series 17	May 18, 2018	1.61	0.05%	22.98%	6.63%	1333.37
Scheme 2015 ? Series 17	May 18, 2018	1.63	0.05%	22.94%	6.63%	1333.36
Scheme 2015 ? Series 17	May 18, 2018	2.25	0.05%	21.63%	6.68%	1332.92
Scheme 2015 ? Series 17	May 18, 2018	2.27	0.05%	21.55%	6.69%	1332.91
Scheme 2015 ? Series 17	May 18, 2018	2.29	0.05%	21.47%	6.69%	1332.90
Scheme 2015 ? Series 17	May 18, 2018	2.75	0.05%	21.08%	6.74%	1332.57
Scheme 2015 ? Series 17	May 18, 2018	2.78	0.05%	21.06%	6.74%	1332.56
Scheme 2015 ? Series 17	May 18, 2018	2.79	0.05%	21.03%	6.74%	1332.54

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Statement of profit and loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee Stock Option Plan	48.26	45.51
Stock Appreciation Rights	62.27	46.67
Total employee share-based payment expenses	110.53	92.18

Balance sheet

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contribution from parent	188.31	140.05	94.54
SARs Liability	113.75	61.04	97.79
Intrinsic value of liability	113.81	61.07	97.83

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 36 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

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

(₹ in lakhs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	FVTPL	FVOCI	Amortised cost	Cost	FVTPL	FVOCI	Amortised cost	Cost	FVTPL	FVOCI	Amortised cost	Cost
Financial Assets												
Non-current assets												
(i) Investments	19,135.48	-	-	6,200.00	20,062.28	-	-	6,200.00	15,036.44	-	10,031.98	6,200.00
(ii) Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Loans	-	-	0.69	-	-	-	-	-	-	-	-	-
(iv) Other non-current financial assets	-	-	0.45	-	-	-	-	-	-	-	-	-
Current assets												
(i) Investments	3,356.63	-	-	-	6,096.68	-	-	-	1,317.50	-	-	-
(ii) Trade receivables	-	-	12.70	-	-	-	12.69	-	-	-	7.10	-
(iii) Cash and cash equivalents	-	-	0.08	-	-	-	0.10	-	-	-	83.87	-
(iv) Bank balance other than (iii) above	-	-	8,865.60	-	-	-	4,448.50	-	-	-	237.00	-
(v) Loans	-	-	6.62	-	-	-	-	-	-	-	17.89	-
(vi) Other current financial assets	-	-	266.58	-	-	-	376.63	-	-	-	239.59	-
Total financial assets	**22,492.11**	**-**	**9,152.72**	**6,200.00**	**26,158.96**	**-**	**4,837.92**	**6,200.00**	**16,353.94**	**-**	**10,617.43**	**6,200.00**
Financial liabilities												
Current liabilities												
(i) Trade payables	-	-	442.90	-	-	-	713.95	-	-	-	1,837.40	-
(ii) Other current financial liabilities	-	-	962.81	-	-	-	240.05	-	-	-	197.55	-
Total financial liabilities	**-**	**-**	**1,405.71**	**-**	**-**	**-**	**954.00**	**-**	**-**	**-**	**2,034.95**	**-**

B. Fair value

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

(₹ in lakhs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Non-current assets												
(i) Investments	-	5,891.12	13,244.36	19,135.48	160.95	5,711.19	14,190.14	20,062.28	174.91	2,732.80	12,128.72	15,036.44
Current assets												
(i) Investments	83.50	-	3,273.13	3,356.63	5,928.88	-	167.80	6,096.68	934.98	-	382.52	1,317.50
Total financial assets	**83.50**	**5,891.12**	**16,517.49**	**22,492.11**	**6,089.83**	**5,711.19**	**14,357.94**	**26,158.96**	**1,109.89**	**2,732.80**	**12,511.24**	**16,353.94**
Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Schedules forming part of Balance Sheet and Profit and Loss Account

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

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Level 3	Total	Level 3	Total	Level 3	Total
Financial Assets						
Non-current assets						
(i) Investments	-	-	-	-	10,036.56	10,036.56
(ii) Loans	0.69	0.69	-	-	-	-
(iii) Other non-current financial assets	0.45	0.45	-	-	-	-
Total financial assets	**1.14**	**1.14**	**-**	**-**	**10,036.56**	**10,036.56**
Financial liabilities						
Current liabilities						
(i) Trade payables	442.90	442.90	713.95	713.95	1,837.40	1,837.40
(ii) Other current financial liabilities	962.81	962.81	240.05	240.05	197.55	197.55
Total financial liabilities	**1,405.71**	**1,405.71**	**954.00**	**954.00**	**2,034.95**	**2,034.95**

Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Non-current assets						
(i) Non-Current Investments	-	-	-	-	10,031.98	10,036.56
(ii) Non-Current Trade receivables	-	-	-	-	-	-
(iii) Loans	0.69	0.69	-	-	-	-
(iv) Other non-current financial assets	0.45	0.45	-	-	-	-
Current assets					-	-
(i) Current Investments	-	-	-	-	-	-
(ii) Trade receivables	12.70	12.70	12.69	12.69	7.10	7.10
(iii) Cash and cash equivalents	0.08	0.08	0.10	0.10	83.87	83.87
(iv) Bank balance other than (iii) above	8,865.60	8,865.60	4,448.50	4,448.50	237.00	237.00
(v) Loans	6.62	6.62	-	-	17.89	17.89
(vi) Other current financial assets	266.58	266.58	376.63	376.63	239.59	239.59
Total financial assets	**9,152.72**	**9,152.72**	**4,837.92**	**4,837.92**	**10,617.43**	**10,622.01**
Financial liabilities						
Current liabilities						
(i) Trade payables	442.90	442.90	713.95	713.95	1,837.40	1,837.40
(ii) Other current financial liabilities	962.81	962.81	240.05	240.05	197.55	197.55
Total financial liabilities	**1,405.71**	**1,405.71**	**954.00**	**954.00**	**2,034.95**	**2,034.95**

Schedules forming part of Balance Sheet and Profit and Loss Account

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 in 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.

Valuation techniques used to determine fair value

Investment in debt securities

Securities classified as, either fair value through other comprehensive income or fair value through profit or loss, are carried at fair value based on quoted market prices. If quoted market prices were not available, fair values were estimated using market yield on balance period to maturity on similar instruments and similar credit risk.

Investment in equity shares

Investment in equity shares classified as, either fair value through other comprehensive income or fair value through profit or loss, are carried at fair value based on quoted market prices. If quoted market prices are not available or if the securities were unlisted, the fair values were estimated using valuation techniques such as market comparison method etc.

Investment in venture funds

Investment in venture funds classified as fair value through profit or loss, are carried at fair value based on net asset value.

Investment in preference shares

Investment in preference shares classified as fair value through profit or loss, are carried at fair value estimated using valuation techniques such as market comparison method etc.

Fair value of financial instruments carried at amortised cost

Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are determined by management based on market rates for similar rated loans and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease / (increase) in value based upon an increase / (decrease) in discount rate.

Level 3 fair values

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

(₹ in lakhs)

Particulars	As at April 1, 2018	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	As at March 31, 2019
Investments	14,357.95	1,203.61	6,577.98	5,622.05	16,517.49

(₹ in lakhs)

Particulars	As at April 1, 2017	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	As at March 31, 2018
Investments	12,511.24	793.71	3,611.40	2,558.41	14,357.94

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 35 Financial instruments – Fair values and risk management (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Name of the fund/ investment	Fair value as on (₹ in Lakhs)			Valuation technique(s) and key input(s)	Unobservable inputs	Input values considered		
	March 31, 2019	March 31, 2018	April 01, 2017			March 31, 2019	March 31, 2018	April 01, 2017
Investment into Units of Venture Funds and Alternate Investment Funds	14,488.07	9,941.17	7,728.82	DCF under Income Approach, Net recovery and NAV Method	Weighted Average Cost of Capital (WACC) whose underlying inputs are:	-	-	-
					(a) Company Specific Risk Premium (CSRP)	13.80% to 20.0%	13.00% to 16.50%	11.30% to 20.00%
					(b) Long Term Growth Rate (LTGR)	3.0% to 5.0%	3.0% to 5.0%	3.1 % to 5.0%

Relationship of unobservable inputs to fair value		Sensitivity analysis		
		March 31, 2019	March 31, 2018	April 01, 2017
Weighted Average Cost of Capital (WACC) whose underlying inputs are:	A higher WACC leads to a lower fair value	-	-	-
(a) Company Specific Risk Premium (CSRP)	Higher CSRP leads to lower value in the Income Approach	100 bps increase in CSRP leads to a 0.78 % decrease in the concluded fair value .	100 bps increase in CSRP leads to a 3.22 % decrease in the concluded fair value .	100 bps increase in CSRP leads to a 7.9 % decrease in the concluded fair value
	Lower CSRP leads to higher value in the Income Approach	100 bps decrease in CSRP leads to a 0.85 % increase in the concluded fair value	100 bps decrease in CSRP leads to a 2.15 % increase in the concluded fair value	100 bps decrease in CSRP leads to a 9.31 % increase in the concluded fair value
(b) Long Term Growth Rate (LTGR)	Higher LTGR leads to higher value in most of the scenarios, however in some cases it has downward impact due to working capital and capex assumptions.	100 bps increase in LTGR leads to an increase of 0.57 % in the concluded fair value	100 bps increase in LTGR leads to an increase of 1.20 % in the concluded fair value	100 bps increase in LTGR leads to an increase of 0.2 % in the concluded fair value
	Lower LTGR leads to decrease in value in most of the scenarios.	100 bps decrease in LTGR leads to 0.13 % decrease in the concluded fair value	100 bps decrease in LTGR leads to 1.20 % decrease in the concluded fair value	100 bps decrease in LTGR leads to 0.14 % decrease in the concluded fair value

Name of the fund/ investment	Fair value as on (₹ in Lakhs)			Valuation technique(s) and key input(s)	Unobservable inputs	Input values considered		
	March 31, 2019	March 31, 2018	April 01, 2017			March 31, 2019	March 31, 2018	April 01, 2017
Investment in other unquoted securities	2,029.42	4,416.77	4,782.42	DCF under Income Approach, Net recovery and NAV Method	Weighted Average Cost of Capital (WACC) whose underlying inputs are:	-	-	-
					(a) Company Specific Risk Premium (CSRP)	13.80% to 20.0%	13.00% to 16.50%	11.30% to 20.00%
					(b) Long Term Growth Rate (LTGR)	3.0% to 5.0%	3.0% to 5.0%	3.1 % to 5.0%

Relationship of unobservable inputs to fair value			Sensitivity analysis		
			March 31, 2019	March 31, 2018	April 01, 2017
Weighted Average Cost of Capital (WACC) whose underlying inputs are:		A higher WACC leads to a lower fair value			
(a)	Company Specific Risk Premium (CSRP)	Higher CSRP leads to lower value in the Income Approach Lower CSRP leads to higher value in the Income Approach	100 bps increase in CSRP leads to a 3.18 % decrease in the concluded fair value . 100 bps decrease in CSRP leads to a 3.51 % increase in the concluded fair value	100 bps increase in CSRP leads to a 0.60 % decrease in the concluded fair value . 100 bps decrease in CSRP leads to a 0.67 % increase in the concluded fair value	100 bps increase in CSRP leads to a 0.66 % decrease in the concluded fair value . 100 bps decrease in CSRP leads to a 0.80 % increase in the concluded fair value
(b)	Long Term Growth Rate (LTGR)	Higher LTGR leads to higher value in most of the scenarios, however in some cases it has downward impact due to working capital and capex assumptions. Lower LTGR leads to decrease in value in most of the scenarios.	100 bps increase in LTGR leads to an increase of 1.61 % in the concluded fair value 100 bps decrease in LTGR leads to 1.44 % decrease in the concluded fair value	LTGR has no material impact in the fair value for these financial years	

D. Financial risk management

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

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

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

ii. Credit risk

Credit risk is the risk of actual or probably financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments, loans and other financial assets.

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade receivables	12.73	12.73	7.18
Investments	-	-	10,031.98
Loans	7.36	-	18.01
Bank Balance	8,868.66	4,449.91	321.00
Other current assets	469.46	374.72	-
Other financial assets	267.73	377.82	240.95
Total	**9,625.94**	**5,215.18**	**10,619.12**

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	As at March 31, 2019				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Trade Receivables					
0-30 days	-	12.50	-	-	12.50
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	0.23	-	-	0.23
	-	**12.73**	**-**	**-**	**12.73**
Less: Impairment Allowance	-	(0.03)	-	-	(0.03)
Carrying amount	**-**	**12.70**	**-**	**-**	**12.70**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at March 31, 2019				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Loans					
0-30 days	7.36	-	-	-	7.36
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	7.36	**-**	**-**	**-**	**7.36**
Less: Impairment Allowance	(0.05)	-	-	-	(0.05)
Carrying amount	**7.31**	**-**	**-**	**-**	**7.31**
Other Financial assets					
0-30 days	267.73	-	-	-	267.73
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	267.73	**-**	**-**	**-**	**267.73**
Less: Impairment Allowance	(0.70)	-	-	-	(0.70)
Carrying amount	**267.03**	**-**	**-**	**-**	**267.03**
Bank Balance					
0-30 days	8,868.66	-	-	-	8,868.66
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	8,868.66	**-**	**-**	**-**	**8,868.66**
Less: Impairment Allowance	(2.98)	-	-	-	(2.98)
Carrying amount	8,865.68	-	-	-	8,865.68
Other Current assets					
0-30 days	469.46	-	-	-	469.46
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	469.46	**-**	**-**	**-**	**469.46**
Less: Impairment Allowance	(1.23)	-	-	-	(1.23)
Carrying amount	**468.23**	**-**	**-**	**-**	**468.23**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at March 31, 2018				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Trade Receivables					
0-30 days	-	12.50	-	-	12.50
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	0.23		-	0.23
	-	**12.73**	**-**	**-**	**12.73**
Less: Impairment Allowance	-	(0.04)		-	(0.04)
Carrying amount	**-**	**12.69**	**-**	**-**	**12.69**
Other Financial assets					
0-30 days	377.82	-	-	-	377.82
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	377.82	**-**	**-**	**-**	**377.82**
Less: Impairment Allowance	(1.19)	-	-	-	(1.19)
Carrying amount	**376.63**	**-**	**-**	**-**	**376.63**
Bank Balance					
0-30 days	4,449.91	-	-	-	4,449.91
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	4,449.91	**-**	**-**	**-**	**4,449.91**
Less: Impairment Allowance	(1.31)	-	-	-	(1.31)
Carrying amount	**4,448.60**	**-**	**-**	**-**	**4,448.60**
Other Current assets					
0-30 days	374.72	-	-	-	374.72
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	374.72	**-**	**-**	**-**	**374.72**
Less: Impairment Allowance	(1.18)	-	-	-	(1.18)
Carrying amount	**373.54**	**-**	**-**	**-**	**373.54**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at April 01, 2017				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Trade Receivables					
0-30 days	-	-	-	-	-
Past due 31–90 days	-	3.47	-	-	3.47
Past due 90 days	-	3.71	-	-	3.71
	-	**7.18**	**-**	**-**	**7.18**
Less: Impairment Allowance	-	(0.08)	-	-	(0.08)
Carrying amount	**-**	**7.10**	**-**	**-**	**7.10**
Investments					
0-30 days	6,410.12	-	-	-	6,410.12
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	3,621.86	-	3,621.86
	6,410.12	**-**	**3,621.86**	**-**	**10,031.98**
Less: Impairment Allowance	(98.02)	-	(2,795.85)	-	(2,893.87)
Carrying amount	**6,312.10**	**-**	**826.01**	**-**	**7,138.11**
Loans					
0-30 days	18.01	-	-	-	18.01
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	18.01	**-**	**-**	**-**	**18.01**
Less: Impairment Allowance	(0.12)	-	-	-	(0.12)
Carrying amount	**17.89**	**-**	**-**	**-**	**17.89**
Other Financial assets					
0-30 days	240.95	-	-	-	240.95
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	240.95	**-**	**-**	**-**	**240.95**
Less: Impairment Allowance	(1.36)	-	-	-	(1.36)
Carrying amount	**239.59**	**-**	**-**	**-**	**239.59**
Bank Balance					
0-30 days	321.00	-	-	-	321.00
Past due 31–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	321.00	**-**	**-**	**-**	**321.00**
Less: Impairment Allowance	(0.13)	-	-	-	(0.13)
Carrying amount	**320.87**	**-**	**-**	**-**	**320.87**

b. Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from Clients and debt securities. Credit risk arises from cash held with banks and financial institutions and on account of accounts receivable from the client advised or managed by the company. While there is minimal credit risk in terms of Accounts receivable, there is a credit risk emanating from Company's exposure to Fund investments as a Sponsor.

c. Amounts arising from ECL

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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.

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

Credit risk from investment in debt instruments, balances with bank and financial institutions is managed by the in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Forward looking information:

The Company incorporates forward looking information into 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 0–30 days	Past due 31–90 days	Past due more than 90 days
Trade receivables			
Balance as at April 01, 2017	-	0.03	0.05
Net remeasurement of loss allowance	-	-	(0.00)*
New financial assets originated during the year	0.04	-	-
Financial assets that have been derecognised during the period	-	(0.03)	(0.05)
Balance as at March 31, 2018	**0.04**	**-**	**0.00**
Net remeasurement of loss allowance	-	-	(0.00)*
New financial assets originated during the year	0.03	-	-
Financial assets that have been derecognised during the period	(0.04)	-	-
Balance as at March 31, 2019	**0.03**	**-**	**0.00**

**Denotes less than ₹ 500*

(₹ in lakhs)

Particulars	Past due 0–30 days	Past due 31–90 days	Past due more than 90 days
Loans			
Balance as at April 01, 2017	0.12	-	-
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	-	-	-
Financial assets that have been derecognised during the period	(0.12)	-	-
Balance as at March 31, 2018	**-**	**-**	**-**
Net remeasurement of loss allowance	-	-	(0.00)*
New financial assets originated during the year	0.05	-	-
Financial assets that have been derecognised during the period	-	-	-
Balance as at March 31, 2019	**0.05**	**-**	**(0.00)**

**Denotes less than ₹ 500*

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Past due 0–30 days	Past due 31–90 days	Past due more than 90 days
Investments			
Balance as at April 01, 2017	98.02	-	2,795.85
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	-	-	-
Financial assets that have been derecognised during the period	(98.02)	-	(2,795.85)
Balance as at March 31, 2018	**-**	**-**	**-**
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	-	-	-
Financial assets that have been derecognised during the period	-	-	-
Balance as at March 31, 2019	**-**	**-**	**-**

(₹ in lakhs)

Particulars	Past due 0–30 days	Past due 31–90 days	Past due more than 90 days
Other Financial Assets			
Balance as at April 01, 2017	1.36	-	-
Net remeasurement of loss allowance	0.08	-	-
New financial assets originated during the year	1.04	-	-
Financial assets that have been derecognised during the period	(1.29)	-	-
Balance as at March 31, 2018	**1.19**	**-**	**-**
Net remeasurement of loss allowance	(0.15)	-	-
New financial assets originated during the year	0.64	-	-
Financial assets that have been derecognised during the period	(0.98)	-	-
Balance as at March 31, 2019	**0.70**	**-**	**-**

The following table shows reconciliations from the opening to the closing balance of the loss allowances for Bank Balance and Contract Assets:

(₹ in lakhs)

Particulars	Bank Balance	Contract Assets
Balance as at April 01, 2017	0.13	-
Net remeasurement of loss allowance	1.18	1.18
Balance as at March 31, 2018	**1.31**	**1.18**
Net remeasurement of loss allowance	1.67	0.05
Balance as at March 31, 2019	**2.98**	**1.23**

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Liquidity Risk

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

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)

Particulars	Carrying amount	Total	Upto 1 month	1-3 months	3 months- 1 year	1-5 years	More than 5 years
As at March 31, 2019							
Non-derivative financial liabilities							
1. Trade and other Payables	442.90	(442.90)	(21.27)	(372.25)	(49.38)	-	-
2. Book Overdraft	0.61	(0.61)	(0.61)	-	-	-	-
3. Other Financial Liabilities	962.20	(962.20)	-	(962.20)	-	-	-
Carrying Amount	**1,405.71**	**(1,405.71)**	**(21.88)**	**(1,334.45)**	**(49.38)**	**-**	**-**

(₹ in lakhs)

Particulars	Carrying amount	Total	Upto 1 month	1-3 months	3 months- 1 year	1-5 years	More than 5 years
As at March 31, 2018							
Non-derivative financial liabilities							
1. Trade and other Payables	713.95	(713.95)	-	(531.01)	(182.94)	-	-
2. Book Overdraft	20.13	(20.13)	(20.13)	-	-	-	-
3. Other Financial Liabilities	219.92	(219.92)	(23.07)	(196.85)	-	-	-
Carrying Amount	**954.00**	**(954.00)**	**(43.20)**	**(727.86)**	**(182.94)**	**-**	**-**

(₹ in lakhs)

Particulars	Carrying amount	Total	Upto 1 month	1-3 months	3 months- 1 year	1-5 years	More than 5 years
As at April 01, 2017							
Non-derivative financial liabilities							
1. Trade and other Payables	1,837.40	(1,837.40)	-	(1,837.40)	-	-	-
2. Book Overdraft	-	-	-	-	-	-	-
3. Other Financial Liabilities	197.55	(197.55)	-	(197.55)	-	-	-
Carrying Amount	**2,034.95**	**(2,034.95)**	**-**	**(2,034.95)**	**-**	**-**	**-**

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency.

a) Currency risk

The Company is exposed to currency risk on account of its trade receivables in foreign currency. The foreign currency exposure in functional currency of the Company is not material and hence no sensitivity is considered.

b) Price risk

Price risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to financial instrument of its issuer, or factors affecting similar financial instruments traded in the market.

The Company is also exposed more generally to market price risk related to assets held at fair value through profit or loss.

Equity price risk is the risk that the fair values of equities increase / decrease as a result of changes in the corresponding value of equity indices or the value of individual equity stocks.

Exposure to Unquoted equity price risk

Unquoted investments as at March 31, 2019, March 31, 2018 and April 01, 2017 are as below:

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Financial assets			
Unquoted investments	22,408.61	20,069.13	15,244.05
	22,408.61	**20,069.13**	**15,244.05**

Sensitivity analysis

Whilst these unquoted investments are not traded on any market, they are exposed to price risk in respect of their underlying investments. 5% is the sensitivity rate used which represents management's assessment of the possible net change in underlying prices. The effect of such change in underlying prices, with all other variables held constant, is as follows:

(₹ in lakhs)

	Impact on Profit and loss	
	Strengthening	**Weakening**
For the year ended March 31, 2019		
Price - 5% Movement	1,120.43	(1,120.43)
For the year ended March 31, 2018		
Price - 5% Movement	1,003.46	(1,003.46)

Schedules forming part of Balance Sheet and Profit and Loss Account

Exposure to Equity price risk

Investment in quoted equity shares as at March 31, 2019, March 31, 2018 and April 01, 2017 are as below:

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Financial assets			
Investment in quoted equity shares	83.50	160.95	174.91
	83.50	**160.95**	**174.91**

Sensitivity analysis

The effect on profit and loss (as a result of a change in the fair value of equity instruments measured at fair value) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

(₹ in lakhs)

	Impact on Profit and loss	
	Strengthening	Weakening
For the year ended March 31, 2019		
NSE Index - 1% Movement	0.84	(0.84)
For the year ended March 31, 2018		
NSE Index - 1% Movement	1.61	(1.61)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates would adversely affect the Company's financial conditions. The same typically involves looking at a gap or mismatch over different time intervals as at a given date.

The Company has not made any borrowings during any of the period.

Fair value sensitivity analysis for fixed-rate instruments

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

NOTE 37 CAPITAL MANAGEMENT

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 and the requirements of the financial covenants.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 38 TRANSITION TO IND AS

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

i. Reconciliation of equity

(₹ in lakhs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2018
Equity under previous GAAP		27,685.63	33,773.48
Summary of Ind AS adjustments			
Provision for ECL on investment, trade receivables and financial assets	1	(2,895.56)	(3.72)
Fair valuation of SARs	5	0.03	0.02
Fair value adjustments on investments	4	4,148.69	3,914.96
Amortisation of costs to obtain a customer contract	2	2,615.12	2,373.77
Effective interest rate adjustment	7	361.80	-
Deferred revenue	3	(810.16)	(609.27)
Income tax adjustments	8	(817.34)	(1,395.00)
Total Ind AS adjustments		**2,602.58**	**4,280.76**
Equity under Ind AS		**30,288.21**	**38,054.24**

ii. Reconciliation of Total Comprehensive Income

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2018
Net profit after tax as per previous GAAP		1,087.86
Provision for ECL on investment, trade receivables and financial assets	1	2,891.84
ESOP expenses recognized using the fair value approach	5	(45.52)
Fair value adjustments on investments	4	(233.73)
Amortisation of costs to obtain a customer contract	2	(241.35)
Effective interest rate adjustment	7	(361.80)
Deferred revenue	3	200.89
Remeasurement of Actuarial gain / loss transferred to OCI (net of taxes)	6	51.01
Others		5.30
Income tax adjustments	8	(594.53)
Total Ind AS adjustments		**1,672.11**
Net profit after tax as per Ind AS		**2,759.97**
Remeasurement of Actuarial gain / loss transferred to OCI (net of taxes)	6	(34.14)
Total Comprehensive Income as per Ind AS		**2,725.83**

For optional exemptions and mandatory exceptions under Ind AS 101 First Time Adoption of Indian Accounting Standard (Ind AS) refer note 3 (W)

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Cash flow statement

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

Notes to the reconciliation

1. **Provision for ECL on investment, trade receivables and financial assets:**
Under Ind AS , loss allowance is measured using ECL on the financial assets measured at amortised cost. Accordingly, ECL provisions have been recognised in the Statement of Profit and Loss.

2. **Amortisation of costs to obtain a customer contract:**
As per Ind AS, set-up costs and referral fees which are incremental cost of obtaining a contract are recognised as an asset and amortised over the tenure of the contract.

3. **Deferred revenue:**
As per Ind AS, establishment fees is recorded as revenue over the tenure of the fund since the performance obligation is satisfied over the tenure of the services provided.

4. **Fair value measurement of investments classified as FVTPL**
Under Previous GAAP, the Company accounted for long term investments at cost less provision for diminution, other than temporary, in the value of investments and current investments were measured at lower of cost or fair value. Under Ind AS, the changes in fair value of financial assets which are classified as FVTPL, are recognised in statement of profit and loss.

5. **Fair valuation of SARs / ESOPs**
Under Previous GAAP, the intrinsic value of SARs is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the statement of profit and loss. Ind-AS requires the fair value of the SARs to be determined using an appropriate pricing model recognised over the vesting period. Accordingly under Ind AS, the company has remeasured the SARs outstanding at the end of the year at the fair value. The parent company has granted equity settled options to the employees of the subsidiary. The Company has accounted for these share based payment arrangement with reference to their intrinsic values under Previous GAAP. Under Ind AS, Company has opted to account for the unvested options as on the date of transition. Accordingly, the Grant date fair value of equity-settled options have been recognised as an expense over the vesting period in the statement of profit or loss with a corresponding increase being made to the capital contribution to the Company by the Parent . No amount is recognised as contribution by / (distribution to) owners in respect of the share based payments-equity settled as there were no reimbursements made by the Company to the Parent.

6. **Remeasurement of actuarial gain / loss transferred to OCI (Defined benefit liabilities):**
Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit or loss. Under Ind AS, remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

7. **Effective interest rate adjustment:**
Under Ind AS , Interest income on financial assets is recognized on an accrual basis using effective interest rate method applied on the gross carrying amount or amortised cost of asset as the case may be.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 39 SEGMENT INFORMATION

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

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

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

Reportable segments	Principal Activity
Investment Management & Advisory	Providing investment management and advisory services to various private equity, venture capital, alternative investment funds and companies. Further the company is required to make co-investments with these funds in certain companies in its role as an investment manager. Therefore in the opinion of the management, the risks and rewards associated with the investments are similar to the investment management / advisory activities.
Investments	Investments other than Investments under Investment Management and Advisory

A. Information about reportable segments

For the year ended March 31, 2019

(₹ in lakhs)

Particulars	Reportable segments				
	Investment Management & Advisory	Investments	Total Segments	Unallocated	Total
	(A)	(B)	C = (A) + (B)	(D)	(C) + (D)
Revenue					
External Revenue	7,618.18	193.42	7,811.60	1.23	7,812.83
Total Revenue	**7,618.18**	**193.42**	**7,811.59**	**1.23**	**7,812.83**
Segment profit / (loss) before tax	413.57	193.42	606.99	1.23	608.22
Segment assets	32,195.02	8,480.76	40,675.78	646.69	41,322.47
Segment liabilities	2,458.23	-	2,458.23	62.51	2,520.74
Other disclosures					
Investment in an associate		6,200.00	6,200.00		6,200.00
Depreciation and amortisations	91.11		91.11		91.11
Capital expenditure	55.09		55.09		55.09

Schedules forming part of Balance Sheet and Profit and Loss Account

For the year ended March 31, 2018

(₹ in lakhs)

Particulars	Reportable segments				
	Investment Management & Advisory	Investments	Total Segments	Unallocated	Total
	(A)	(B)	C = (A) + (B)	(D)	(C) + (D)
Revenue					
Income	9,216.16	194.45	9,410.61	11.53	9,422.14
Total Revenue	**9,216.16**	**194.45**	**9,410.61**	**11.53**	**9,422.14**
Segment profit / (loss) before tax	3,141.33	194.45	3,335.78	11.53	3,347.31
Segment assets	29,960.43	10,810.76	40,771.19	458.41	41,229.60
Segment liabilities	2,641.97	-	2,641.97	533.39	3,175.36
Other disclosures					
Investment in an associate and a Joint venture		9,152.95	9,152.95		9,152.95
Depreciation and ammortisations	84.36		84.36		84.36
Capital expenditure	163.02		163.02		163.02

B. Information about major customers

The details of aggregate of revenue from transactions with more than single external customer or counterparty amounting to 10% or more of the company's total revenue are as below :-

(Amount in lakhs)

Reportable Segment	Mar-19	Mar-18
Investment Management & Advisory	3,584.90	5,136.63

NOTE 40 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from contracts with customers	5,744.60	5,810.97
Total	**5,744.60**	**5,810.97**
Revenue from other sources	2,068.23	3,611.17
Revenue as per Statement of Profit and Loss	**7,812.83**	**9,422.14**
Impairment loss on receivables	(0.01)	(0.04)
Impairment loss on contract assets	0.05	1.18

Schedules forming part of Balance Sheet and Profit and Loss Account

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	Investment Management and Advisory		Investments		Unallocated		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Primary Geographical Market								
India	3,897.46	3,990.97	-	-	-	-	3,897.46	3,990.97
Outside India	1,847.14	1,820.00	-	-	-	-	1,847.14	1,820.00
Total	**5,744.60**	**5,810.97**	**-**	**-**	**-**	**-**	**5,744.60**	**5,810.97**
Major products/service lines								
Investment Management / Advisory	5,744.60	5,810.97	-	-	-	-	5,744.60	5,810.97
Total	**5,744.60**	**5,810.97**	**-**	**-**	**-**	**-**	**5,744.60**	**5,810.97**
Timing of revenue recognition								
At a point in time	707.14	-	-	-	-	-	707.14	-
Over a period of time	5,037.46	5,810.97	-	-	-	-	5,037.46	5,810.97
Total	**5,744.60**	**5,810.97**	**-**	**-**	**-**	**-**	**5,744.60**	**5,810.97**

Considering the nature of services rendered by the Company, output method is used to recognise revenue

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 March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables	12.70	12.69	7.10
Contracts assets	468.23	373.54	-
Contracts liabilities	457.15	609.27	810.16

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the fund. The contract liabilities primarily relate to the mangement fee received in advance from the fund.

Schedules forming part of Balance Sheet and Profit and Loss Account

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

(₹ in lakhs)

Particulars	Contract assets		Contract liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
At the beginning of the reporting period	373.54	-	609.27	810.16
Add : Revenue recognised/ liabilities during the year	469.45	374.72	48.77	-
Revenue recognised that was included in the contract liability balance at the beginning of the period			(200.89)	(200.89)
Impairment of contract asset	(0.04)	(1.18)		
Contract asset reclassified to a receivable	(374.72)			
At the end of the reporting period	468.23	373.54	457.15	609.27

Contract assets amounting to ₹ 468.24 lakhs, outstanding as at March 31, 2019, would be billed and reclassified to trade receivables within the next 12 months.

d) **Transaction price allocated to the remaining performance obligation**

As of March 31, 2019, the amount of transaction price allocated to remaining performance obligation are as follows. The Company will recognise the revenue as and when management services are rendered.

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2021	March 31, 2022
Contract Liability	250.21	200.89	6.05

e) **Assets recognised from the costs to obtain or fulfil a contract with a customer**

i. Judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer and details of method of amortisation

The Company has recognised an asset in relation to costs incurred for setting up of the fund and bringing the investors to the fund as management expects that such costs are incremental cost of obtaining contract with customers and are recoverable. The asset is amortised on a straight-line basis over the tenure of the fund which is consistent with the pattern of recognition of the associated revenue.

ii. The following table discloses the movement of cost to obtain a contract with customers:

(₹ in lakhs)

Particulars	Referral Fees		Set-up costs	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening Balance	2,520.62	2,567.13	36.09	47.99
Add : Cost during the current year	-	514.69	189.74	-
Less: Amortisation	(831.10)	(561.20)	(12.90)	(11.90)
Closing Balance	**1,689.52**	**2,520.62**	**212.93**	**36.09**

As of March 31, 2019,the Company will amortise the referral fees and set up cost over the remaining period as follows:

(₹ in lakhs)

Particulars	Upto 1 year	1 - 3 year	3 - 5 years	More than 5 year
Referral Fees	833.38	856.14	-	-
Set-up costs	29.45	63.32	51.10	69.06

Schedules forming part of Balance Sheet and Profit and Loss Account

Contract cost incurred for close ended funds are amortised over the life of the fund and open ended fund has been amortised over the period of five years. The management believes that the benefit of the expense incurred on open ended fund will be utilised over the period of five years.

In terms of our report attached.
For Price Waterhouse
Firms Registration Number : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No. 101119

Mumbai
Dated : June 28, 2019

For and on behalf of the Board of Directors

S Sriniwasan
Managing Director
DIN: 00382697

Dipak Gupta
Director
DIN: 00004771

Rajeev Saptarshi
Chief Operating Officer

Umang Patel
Company Secretary

Dated : June 24, 2019

Kotak Mahindra Bank Limited, 27BKC,
C 27, G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Website: www.kotak.com

BSE: 500247 | NSE: KOTAKBANK | Bloomberg: KMB:IN

CIN: L65110MH1985PLC038137

concept and design at WyattPrism Communications