Independent Auditor's Report

To
The Members of
Kotak Infrastructure Debt Fund Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Kotak Infrastructure Debt Fund Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 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 audit opinion on the standalone Ind AS financial statements.

EMPHASIS OF MATTER

We also draw attention to Note 1.2 E (XII.i) of the notes to the accompanying standalone Ind AS financial statements which describes the uncertainty arising from COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (Loans and Investments) including provision for expected credit losses) *(Refer notes 1.2. E (XII.ii) to accounts of the financial statements and note 4 & 5 of the notes to the standalone Ind AS financial statements)*	
Loans and Investment amount to Rs.78,297.64 lacs (net of expected credit loss) at March 31, 2020 as disclosed in the standalone Ind AS financial statements.	• Our audit procedures included considering the Company's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.

Key audit matters	How our audit addressed the key audit matter
Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. In the process of applying such principles and other requirements of the standard, a significant degree of judgement has been applied by the management in respect of following matters: a) Determining the staging of loans. b) Determining probability of default (PD) using history of default for long term rated loans by leading credit rating agencies and considering the impact of macroeconomic factors. c) Estimation of management overlay to determines the forecasted PD d) Estimation of loss given default (LGD) based on haircuts and recovery percentages as suggested in Basel regulations Further, in light of the business disruption caused due to COVID-19, the management has done an assessment of the impact on the ECL on the abovementioned financial assets. The management using certain assumptions and estimates, applied management overlays to arrive at a probable impact on COVID-19 on the ECL provision. These assumptions and estimates used have an inherent uncertainty of the actual impact of COVID-19 and the actual impact may be different from these estimates. Given the complexity and significant judgement and the uncertainty of impact of COVID-19 involved in the estimation of expected credit losses on loans and investments, we have considered this area as a key audit matter.	• We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation. • We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. • We understood the methodology used by the management to arrive at their ECL provision including testing the key assumptions determining the PDs. • We have verified the haircuts and LGD rates have been considered as mentioned in the ECL policy. Further, examined if higher LGD needs to be considered basis the inherent credit weakness and recoverability of the underlying collateral of the borrow for samples tested. • We have understood the management overlay methodology applied to ascertain a best estimate impact of COVID-19 on the ECL provision and assessed the reasonableness thereof. The actual impact may vary from the estimates made by the management. • We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report (which includes the Directors's report), but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

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

      i. The Company does not have any pending litigations which would impact its financial position;

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

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 20121411AAAADG1829

Place of Signature: Mumbai
Date: 22 June 2020.

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Kotak Infrastructure Debt Fund Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(i) (c) According to the information and explanation given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions of employees' state insurance, sales-tax, duty of custom, duty of excise, service tax and value added tax are not applicable to the Company

(vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax, service tax and cess are not applicable to the Company.

(vii) (c) According to the information and explanations given to us, there are no dues of income tax, good and service tax, and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or government or debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of Non-convertible debentures and commercial paper for the purposes for which they were raised though idle funds which were not required for immediate utilization have been gainfully invested in fixed deposits and Mutual Fund. The maximum amount of idle/surplus funds invested during the year was Rs 4,729.08 lakhs and there was no outstanding at the end of the year. The Company has not raised money by initial public offer / further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 20121411AAAADG1829

Place: Mumbai
Date: June 22, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND-AS FINANCIAL STATEMENTS OF KOTAK INFRASTRUCTURE DEBT FUND LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kotak Infrastructure Debt Fund Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 20121411AAAADG1829

Place of Signature: Mumbai
Date: June 22, 2020

Balance Sheet

as at 31st March 2020

(Amount in lakhs)

	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
Financial assets			
Cash and cash equivalents	2	10,778.93	1,230.40
Bank Balance other than cash and cash equivalents	3	28.26	23.08
Loans	4	58,112.56	45,389.70
Investments	5	20,185.07	29,491.83
Other Financial assets	6	0.10	-
Total Financial assets		**89,104.92**	**76,135.01**
Non-financial assets			
Current Tax assets (Net)		1,183.57	498.82
Property, Plant and Equipment	7	59.41	76.15
Other Non Financial assets	8	39.59	39.03
Total Non-financial assets		1,282.57	614.00
Total Assets		**90,387.49**	**76,749.01**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		63.04	40.84
Debt securities	9	52,056.18	41,483.68
Subordinated Liabilities	10	75.25	76.32
Total Financial liabilities		**52,194.47**	**41,600.84**
Non-Financial liabilities			
Current tax liabilities (Net)		32.24	10.40
Provisions	11	99.22	107.11
Other non-financial liabilities	12	36.96	107.65
Total Non-financial liabilities		**168.42**	**225.16**
EQUITY			
Equity Share Capital	13	31,000.00	31,000.00
Other equity	14	7,024.60	3,923.01
Sub total		**38,024.60**	**34,923.01**
Total Liabilities and equity		**90,387.49**	**76,749.01**
Significant Accounting Policies & Notes on Accounts	1		

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

For S R Batliboi & Associates LLP
Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Sarvesh Warty
Partner
Membership No: 121411

For and on behalf of the Board of Directors

Dipak Gupta
Director
DIN: 00004771

KVS Manian
Director
DIN: 00031794

Manoj Gupta
Chief Executive Officer
& Chief Financial Officer

Bhavesh Jadhav
Company Secretary

Date and Place: June 22, 2020, Mumbai

Statement of Profit and loss

for the year ended 31st March 2020

(Amount in lakhs)

	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Revenues from operations			
(i)	Interest income	15	7,717.55	5,299.74
(ii)	Net gain on financial instruments measured on fair value	16	301.42	787.28
(iii)	Others		91.32	16.21
(I)	**Total revenue from operations**		**8,110.29**	**6,103.23**
(II)	Other income	17	30.66	11.50
(III)	**Total income (I + II)**		**8,140.95**	**6,114.73**
	EXPENSES			
(i)	Finance Costs	18	3,997.65	2,991.84
(ii)	Impairment on financial instruments	19	351.12	(19.00)
(iii)	Employee Benefits expenses	20	454.77	425.86
(iv)	Depreciation, amortization and impairment	7	18.83	17.81
(v)	Other expenses	21	273.52	256.81
(IV)	**Total expenses**		**5,095.89**	**3,673.32**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**3,045.06**	**2,441.41**
(VI)	**Tax expense**			
	(i) Current tax		-	-
	(ii) Deferred tax		-	-
	Total tax expense (i+ii)		**-**	**-**
(VII)	**Profit/(loss) for the period (V-VI)**		**3,045.06**	**2,441.41**
(i)	Remeasurements of the defined benefit plans		1.76	(1.86)
(VIII)	**Other comprehensive income**		**1.76**	**(1.86)**
(IX)	**Total Comprehensive Income for the period (VII+VIII)**		**3,046.82**	**2,439.55**
(X)	**Earnings per equity share-Basic & Diluted (₹)**	22	**0.98**	**0.79**

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

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

For S R Batliboi & Associates LLP
Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Sarvesh Warty
Partner
Membership No: 121411

For and on behalf of the Board of Directors

Dipak Gupta
Director
DIN: 00004771

KVS Manian
Director
DIN: 00031794

Manoj Gupta
Chief Executive Officer
& Chief Financial Officer

Bhavesh Jadhav
Company Secretary

Date and Place: June 22, 2020, Mumbai

Cash Flow Statement

for the year ended 31st March 2020

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Cash flow from operating activities		
Profit before tax	3,045.06	2,441.41
Adjustments to reconcile profit before tax to net cash generated from / (used in) operating activities		
Depreciation	18.83	17.81
Net gain/(loss) on derecognition of property, plant and equipment	-	(11.50)
Net realised gain on financial instruments measured on fair value	(305.25)	(949.95)
Impairment on financial instruments	350.82	(19.00)
Net unrealised gain on financial instruments measured on fair value	3.83	162.67
Interest expense	3,997.65	2,991.84
Interest Paid	(3,415.54)	(1,979.00)
Employee benefit expenses	56.43	40.37
Operating profit before working capital changes	**3,751.83**	**2,694.65**
Working capital adjustments		
Increase / (Decrease) in Trade Payables	20.19	3.58
Increase / (Decrease) in Provisions	(5.80)	12.24
Increase / (Decrease) in Other Non Financial Liabilities	(36.10)	46.20
Increase / (Decrease) in Other Non-financial assets	35.67	(29.35)
(Increase) / Decrease in Other receivables	-	10.00
(Increase) / Decrease in Financial Assets	(13,172.56)	(22,227.36)
	(13,158.60)	**(22,184.69)**
Cash Flow from/(used in) operations	**(9,406.77)**	**(19,490.04)**
(Income Taxes paid) / Refund Received	(662.89)	(402.03)
Net cash From/(used in) operating activities	**(10,069.66)**	**(19,892.07)**
Cash flow from investing activities		
Purchase of Investments	(64,513.56)	(218,283.76)
Sale of Investments	74,142.32	223,451.83
Purchase of Property, Plant and Equipment	(2.09)	(0.97)
Sale of Property, Plant and Equipment	-	11.50
Net cash generated from/(used in) investing activities	**9,626.67**	**5,178.60**

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Cash flow from financing activities		
Proceed from Debt Securities	10,000.00	15,000.00
Preference Share Dividend paid	(6.32)	(6.32)
Net cash flow from/(used in) financing activities	**9,993.68**	**14,993.68**
Net (decrease) / increase in cash and cash equivalents	**9,550.69**	**280.21**
Cash and cash equivalents at the beginning of the year	1,230.68	950.47
Cash and cash equivalents at the end of the year	**10,781.37**	**1,230.68**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 2)		
Balances with banks in current account	10,781.37	1,230.68
Impairment provision	(2.44)	(0.28)
Cash and cash equivalents as restated as at the year end	**10,778.93**	**1,230.40**

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

This is the Cash Flow Statement referred to in our report of even date

For S R Batliboi & Associates LLP
Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Sarvesh Warty
Partner
Membership No: 121411

For and on behalf of the Board of Directors

Dipak Gupta
Director
DIN: 00004771

KVS Manian
Director
DIN: 00031794

Manoj Gupta
Chief Executive Officer
& Chief Financial Officer

Bhavesh Jadhav
Company Secretary

Date and Place: June 22, 2020, Mumbai

Statement of Changes of Equity

for tHE YEAR ENDED MARCH 31, 2020

A. Equity share capital

(Amount in lakhs)

Particulars	Balance at the beginning of the period	Changes in equity share capital during the year	Balance at the end of the period
Equity shares of ₹ 10 each fully paid up			
As on 31-March-2019	31,000.00		31,000.00
As on 31-March-2020	31,000.00		31,000.00

B. Other equity

(Amount in lakhs)

Particulars	Reserves and Surplus					Total
	Special reserve	Capital redemption reserve	General reserve	Capital contribution from parent	Retained earnings*	
Opening balance as on 31-March-2018	**287.57**	**19.00**	**2.50**	**20.87**	**1,109.38**	**1,439.32**
Profit for the year	-	-	-	-	2,441.41	2,441.41
Fair value of ESOPs	-	-	-	44.14	-	44.14
Transfer from Statement of Profit & Loss to Special Reserve	512.94	-	-	-	(512.94)	-
Remeasurements of the defined benefit plans	-	-	-	-	(1.86)	(1.86)
Changes during the period	**512.94**	**-**	**-**	**44.14**	**1,926.61**	**2,483.69**
Closing balance as on 31-March-2019	**800.51**	**19.00**	**2.50**	**65.01**	**3,035.99**	**3,923.01**
Opening balance as on 31-March-2019	**800.51**	**19.00**	**2.50**	**65.01**	**3,035.99**	**3,923.01**
	-	-	-		-	
Profit for the year	-	-	-	-	3,045.06	3,045.06
Fair value of ESOPs	-	-	-	54.77	-	54.77
Transfer from Statement of Profit & Loss to Special Reserve	679.71				(679.71)	-
Remeasurements of the defined benefit plans	-	-	-	-	1.76	1.76
Changes during the period	**679.71**	**-**	**-**	**54.77**	**2,367.11**	**3,101.59**
Closing balance as on 31-March-2020	**1,480.22**	**19.00**	**2.50**	**119.78**	**5,403.10**	**7,024.60**

*Net of Share Issue Expenses

Nature and purpose of reserves: Refer Note 14.1

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

For S R Batliboi & Associates LLP
Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Sarvesh Warty
Partner
Membership No: 121411

For and on behalf of the Board of Directors

Dipak Gupta
Director
DIN: 00004771

KVS Manian
Director
DIN: 00031794

Manoj Gupta
Chief Executive Officer
& Chief Financial Officer

Bhavesh Jadhav
Company Secretary

Date and Place: June 22, 2020, Mumbai

Schedules forming part of Balance Sheet and Profit and Loss Account

1.1. CORPORATE INFORMATION

Kotak Infrastructure Debt Fund Limited (the Company), formerly known as Kotak Forex Brokerage Limited, is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. The Company is registered as a Non-Banking Financial Company with Reserve Bank of India. The company is engaged in providing finance for infrastructure projects. The Company is entirely held by Kotak Mahindra Bank Ltd together with its subsidiaries.

The Company was earlier engaged in the business of providing foreign exchange related services. During the year 2017-18, the Company obtained license as Infrastructure Debt Fund – Non Banking Financial Company (IDF-NBFC) from Reserve Bank of India (RBI) vide certificate of Registration No.N-13.02177 dated April 06, 2017.

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

1.2. BASIS OF PREPARATION

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. These standalone financial statements were authorized for issue by the Company's Board of Director's on 22rd Jun 2020

B. Basis of measurement

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

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).
- Share based payments - measured at fair value of the options (refer accounting policy regarding share based payments).

C. Functional and presentation currency

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

D. Adoption of new and revised standards

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

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

Effective from April 1, 2019 ('the date of transition'), the Company applied Ind AS 116 retrospectively to all leases previously classified as operating leases. The Company has used practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of assets and leases for which the underlying asset is of low value on a lease-by-lease basis.

Refer note 1.4(Q) – Significant accounting policies – Leases in the Financial statements of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

E. Use of estimates and judgements

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

Judgement, estimates and assumptions are required in particular for:

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

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

II. Determination of lease term:

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

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 28.

IV. Recognition and measurement of provisions and contingencies

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

V. Discounting of long-term financial assets/liabilities

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

VI. 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 have been made with respect to expected volatility including share price, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized 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 29.

VII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 30.

VIII. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are

Schedules forming part of Balance Sheet and Profit and Loss Account

compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

IX. Effective Interest Rate (EIR) method

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

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

X. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments classified as FVOCI. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and estimated recovery from collateral.

XI. 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 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.

XII. Impact relating to the global health pandemic on COVID-19

i. Estimation of uncertainty

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was extended twice across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to maintain adequate liquidity in the system, facilitate and incentivize bank credit flows, ease financial stress and enable the normal functioning of markets. RBI has also permitted lending institutions to grant a moratorium of three months on payment of current dues falling between March 1 and May 31, 2020. This moratorium was extended by a further period of three months.

Due to uncertainty around the course of the COVID-19 pandemic the Company doesn't have visibility into the extent to which it will impact the Company's results and it will depend upon on future developments. The impact of the global health pandemic on following items may be different from that estimated as at the date of approval of Company's financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

ii. Impairment on Financial Assets

In assessing the recoverability of loans, investment in debt instruments, the Company has considered internal and external information upto the date of approval of these financial statements including reports of credit rating agencies and economic forecasts. Basis the above information, the Company has assessed the staging criteria and loss given default. Accordingly, the impairment on the financial assets has been computed.

Financial assets measured at amortized cost includes cash and cash equivalents of Rs. 10,781.37 lakhs, bank deposits and earmarked balances with banks of Rs. 28.27 lakhs, loans of Rs. 58,601.19 lakhs and investment in debt securities of Rs. 20,233.84 lakhs as at March 31, 2020. In addition to the historical pattern of credit loss, for assessing counter party credit risk Company has considered and incorporated emerging situations due to COVID-19. The Company has used management estimates of default rate considering the nature of receivables, financial strength of the customers, and overall economic conditions. The Company closely monitors its customers, reports of credit rating agencies to understand their economic condition. Basis this assessment, the allowance for expected credit loss on financial assets of Rs. 539.84 lakhs as at March 31, 2020 is considered adequate.

iii. Fair value of financial instruments

Fair value hierarchy of financial assets which are carried at fair value are classified as Level 1 as at 31st March 2020.

Financial assets which are classified as Level 1 is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt mutual funds and accordingly, material volatility is not expected. For fair values of financial assets and financial liabilities measured at amortized cost which are classified as Level 2, uncertainties arising out of COVID-19 is incorporated in discounts rates, credit spread and expected cash flows.

iv. Leases

The Company has entered into lease arrangement for Corporate and branch office for a term of one year. The Company does not foresee any change in terms of those leases due to COVID – 19.

1.3. AMENDMENTS TO EXISTING IND AS

The Ministry of Corporate Affairs notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 01, 2020.

1.4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue recognition

Interest income on financial assets is recognized on accrual basis using effective interest method other than the financial assets classified as measured at FVTPL. The EIR is determined considering all contractual terms, fees received, transaction costs incurred and all other premiums or discounts. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under stages 1 and 2 as against on amortized cost net of impairment for the assets falling under stage 3.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

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

B. Financial Instruments

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

All regular way purchase or sale of financial instruments 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.

Financial assets

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.

Initial recognition and measurement

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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 the way in which business is managed and information provided to the management. The information considered in conjunction with objectives of business model includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity;
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.
- The Company monitors financial assets measured at Amortized cost that are derecognized 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. Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:
  - If such financial assets no longer meets the credit criteria in Company's investment policy;
  - Credit Risk on a financial assets has increased significantly;
  - To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
  - Sales are infrequent or insignificant in value both individually or in aggregate
  - if sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

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

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

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.

The Company classifies its financial assets in the following measurement categories

Financial assets at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR) and reported as part of interest income in the Statement of Profit and Loss. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. The losses if any, arising from impairment are recognized in the Statement of Profit and Loss.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

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

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

After initial measurement, such financial assets are subsequently measured at fair value. Subsequent changes in the carrying amount of these financial assets as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in Statement of Profit and Loss. The amounts that are recognised in Statement of Profit and Loss are the same as the amounts that would have been recognised in Statement of Profit and Loss if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive income The loss allowance is recognized in 'Other Comprehensive Income' (OCI) and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

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

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

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

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

Any contract that evidences a residual interest in the assets after deducting all of its liabilities are classified as Equity Instruments. Equity instruments issued by the Company are recognized at the proceeds received and transaction costs are recognized as a deduction from equity.

Financial liabilities

Financial liabilities are measured at fair value less transaction cost directly attributable to the issue of the financial liabilities at initial recognition and subsequently measured at amortized cost except when designated to be measured at FVTPL. Interest expense is recognized in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognized in Statement of Profit and Loss.

C. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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 amortized cost and FVOCI are credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

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

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

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

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

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

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

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

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

PD has been computed using observed history of default for long term rated loans by leading credit rating agencies and converted into forward looking PD's considering suitable macro-economic variable and other observable inputs.

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

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

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

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

- If the expected restructuring will not result in de-recognition 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 de-recognition 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 amortized 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 recognized. 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, deterioration in internal/external ratings 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 recognized. 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 recognized 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.

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

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company estimates 12 month ECL and lifetime ECL using number of variable inputs such as historical default rate, macroeconomic scenarios, contractual life of financial assets and estimated recovery from collateral.

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

The Company considers historical observed default rates 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 output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

D. Write-offs

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

E. Derecognition of financial assets and financial liabilities

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 derecognized 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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) 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 recognized in OCI is recognized in statement of profit or loss.

Financial liabilities

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

F. Modifications of financial assets and financial liabilities

Financial assets

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

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in recognition 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 recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of Profit and Loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized 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 derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.

G. Measurement of fair values

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

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 a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the lowest level inputs that are significant to the measurements, used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Schedules forming part of Balance Sheet and Profit and Loss Account

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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

H. Offsetting of financial instruments

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

I. Property, plant and equipment

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

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

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment at rates, which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year-end. Estimated useful lives over which assets are depreciated are as follows:

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

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

J. Borrowing cost

Borrowing costs other than those directly attributable to qualifying Property, Plant and Equipment are recognized on EIR basis.

K. Taxes on income

The Company is an Infrastructure Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on 6th April 2017. Therefore, income of the Company is exempt under sections 10(47) of the Income Tax Act, 1961 (the Act). The Company has applied to CBDT to get it notified in the Official Gazette as required u/s 10(47) of the Act and are in the process of receiving approval for the same. Accordingly, no income tax is payable on the company's income from the financial year 2019-20 and therefore no provision for tax & deferred tax asset / liabilities has been recognized.

L. Employee benefits

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

IV. Re-measurement of all defined benefit plans, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income in the year they are incurred. Re-measurements are not reclassified to profit or loss in subsequent period. Re-measurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

V. The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives.

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

VII. As per the Company's policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of fellow subsidiary.

M. Employee share based payments

Equity-settled scheme:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Cash-settled scheme:

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

N. Segmental reporting

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

O. Earnings per share

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

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

P. Provisions and contingent liabilities

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

Q. Leases

At the inception of the contract Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all the economic benefits from the use of the asset through the period of lease; and

(iii) the Company has right to direct the use of the asset.

As lessee

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

R. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized 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.

S. Cash and cash equivalents

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

T. Cash Flow Statement

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

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 2 CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Balances with banks:	1,171.28	1,230.68
In Fixed Deposits with Bank having maturity less than 3 months	9,610.09	-
	10,781.37	**1,230.68**
Less: Impairment loss allowance	(2.44)	(0.28)
	10,778.93	**1,230.40**

NOTE 3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Fixed deposit with banks	28.27	23.09
Less: Impairment loss allowance	(0.01)	(0.01)
	28.26	**23.08**

NOTE 4 LOANS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
At Amortised Cost		
(i) Term Loans	58,601.02	45,528.96
(ii) Loan to employees	0.17	0.65
(iii) Loans to related parties	-	1.25
Total Gross (A)	**58,601.19**	**45,530.86**
Less: Impairment allowance	(488.63)	(141.16)
Total Net (A)	**58,112.56**	**45,389.70**
(i) Loans outside India	-	-
(ii) Loans in India	58,112.56	45,389.70
Grand total	**58,112.56**	**45,389.70**
(i) Secured by tangible assets	58,601.02	45,528.96
(ii) Unsecured	0.17	1.90
Total Gross	58,601.19	45,530.86
Less: Impairment loss allowance	(488.63)	(141.16)
Total Loans	**58,112.56**	**45,389.70**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 5 INVESTMENTS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
At Amortised Cost		
Debt securities	20,233.84	22,120.28
Total Gross (A)	**20,233.84**	**22,120.28**
Less: Impairment allowance	(48.77)	(47.28)
Total Net (A)	**20,185.07**	**22,073.00**
At Fair Value through Other Comprehensive Income	-	-
Total (B)	**-**	**-**
At Fair value Through profit or loss		
Mutual funds	-	7,418.83
Total (C)	**-**	**7,418.83**
Grand total (A+B+C)	**20,185.07**	**29,491.83**
Amortised Cost		
(i) Investments outside India	-	-
(ii) Investments in India	20,185.07	22,073.00
At Fair Value through Other Comprehensive Income		
(i) Investments outside India	-	-
(ii) Investments in India	-	-
At Fair value Through profit or loss	-	-
(i) Investments outside India	-	-
(ii) Investments in India	-	7,418.83
Total investments	**20,185.07**	**29,491.83**

NOTE 6 OTHER FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Security deposits	0.10	-
Less: Impairment loss allowance	(0.00)	-
Total	**0.10**	**-**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

(Amount in lakhs)

Particulars	Premises	Vehicles	Computers	Total
Balance as on 31-March-2018	27.23	68.14	0.39	95.76
Additions during the year	-	-	0.97	0.97
Disposals during the year	-	-	-	-
Balance as on 31-March-2019	**27.23**	**68.14**	**1.36**	**96.73**
Accumulated depreciation and impairment losses as at April 1, 2018	0.08	2.47	0.22	2.77
Depreciation for the year	0.47	16.98	0.36	17.81
Disposals during the year	-	-	-	-
Balance as on March 31, 2019	**0.55**	**19.45**	**0.58**	**20.58**
Net carrying amount as at March 31, 2019	**26.68**	**48.69**	**0.78**	**76.15**
Balance as on 31-March-2019	27.23	68.14	1.36	96.73
Additions during the year	-	-	2.09	2.09
Disposals during the year	-	-	-	-
Balance as on 31-March-2020	**27.23**	**68.14**	**3.45**	**98.82**
Accumulated depreciation and impairment losses as at April 1, 2019	**0.55**	**19.45**	**0.58**	**20.58**
Depreciation for the year	0.47	17.08	1.28	18.83
Disposals during the year	-	-	-	-
Balance as on March 31, 2020	**1.02**	**36.53**	**1.86**	**39.41**
Net carrying amount as at March 31, 2020	**26.21**	**31.61**	**1.59**	**59.41**

Impairment loss and reversal of impairment loss

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

NOTE 8 OTHER NON-FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Prepaid expenses	37.79	31.96
GST input /Service Tax receivable	1.80	7.07
Total	**39.59**	**39.03**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 9 DEBT SECURITIES

(Amount in lakhs)

Particulars	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
As at March 31, 2020				
Redeemable Non-Convertible Debentures, fully paid, privately placed	52,056.18	-	-	52,056.18
Total (A)	**52,056.18**	**-**	**-**	**52,056.18**
Debt securities in India	52,056.18	-	-	52,056.18
Debt securities outside India	-	-	-	-
Total (B)	**52,056.18**	**-**	**-**	**52,056.18**
As at March 31, 2019				
Redeemable Non-Convertible Debentures, fully paid, privately placed	41,483.68	-	-	41,483.68
Total (A)	**41,483.68**	**-**	**-**	**41,483.68**
Debt securities in India	41,483.68	-	-	41,483.68
Debt securities outside India	-	-	-	-
Total (B)	**41,483.68**	**-**	**-**	**41,483.68**

Note:

These Debenture are payable at Maturity at the end of tenure and are Secured by Mortgage of Flat and charge on loans & Advances.

(Amount in lakhs)

Redeemable Non Convertible Debentures - Debt Securities	As at 31st March, 2020			As at 31st March, 2019		
	Interest Rate (%)	Balance Outstanding	Face value (₹)	Interest Rate (%)	Balance Outstanding	Face value (₹)
Repayable at Maturity						
Dec-22	7.85%	10,250.77	10000	7.85%	10,248.55	10000
Feb-23	6.72%	15,197.03	15000	7.95%	15,242.27	15000
Jul-23	7.84%	15,885.44	15000	8.80%	15,992.86	15000
Jun-24	9.15%	10,722.94	10000	-	-	0
		52,056.18			**41,483.68**	

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 10 SUBORDINATED LIABILITIES

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
At Amortised Cost		
Preference shares other than those that qualify as Equity	75.25	76.32
At Fair Value Through Profit or Loss		
Preference shares other than those that qualify as Equity	-	-
Designated at fair value through profit or loss		
Preference shares other than those that qualify as Equity	-	-
Total (A)	**75.25**	**76.32**
Subordinated liabilities in India	75.25	76.32
Subordinated liabilities outside India	-	-
Total (B)	**75.25**	**76.32**

***Rights, preferences and restrictions attached to Preference shares**

(i) The Company has issued only one class of 7.5% preference shares of ₹ 5,00,000/- each fully paid up, redeemable at par at the end of 10 years with a Put / Call option to redeem them earlier, after completion of 3 years from the date of issue being 31st December 2012.

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

(iii) Each holder of the preference shares is entitled to one vote per share only on the resolution placed before the company which directly affect the rights attached to Preference Shares.

NOTE 11 PROVISIONS

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Provision for employee benefits		
Gratuity (refer note 28)	23.32	17.81
Compensated absences	15.35	19.01
Stock appreciation rights (SARs)	60.07	69.98
Long Service Award	0.48	0.31
Total	**99.22**	**107.11**

NOTE 12 OTHER NON-FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Deferred Income	-	34.58
Statutory dues payable	11.96	17.21
Employee Benefits accrued	25.00	55.86
Total	**36.96**	**107.65**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 13 EQUITY SHARE CAPITAL

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Authorised		
310,050,000 (March 31, 2019: 310,050,000) equity shares of ₹ 10 each with voting rights	31,005.00	31,005.00
6014 (March 31, 2019: 6014) 7.5% Non-Cumulative Redeemable Preference Shares of ₹ 5,00,000/- each	30,070.00	30,070.00
Issued, subscribed and paid up		
310,000,000 (March 31, 2019: 310,000,000) equity shares of ₹ 10 each fully paid up with voting rights	31,000.00	31,000.00

*Preference share is considered as Subordinated liability (Refer Note 10)

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

(Amount in lakhs)

Particulars	No. of shares	Amount
Equity shares of Rs 10 each, fully paid-up		
As at April 1, 2018	3,100	31,000.00
Add/(less) : Movement during the year	-	-
As at March 31, 2019	3,100	31,000.00
Add/(less) : Movement during the year	-	-
As at March 31, 2020	**3,100**	**31,000.00**

b. Rights, preferences and restrictions attached to equity shares

(i) The Company has only one class of equity shares having par value of Rs. 10 per share.

(ii) Each holder of equity shares is entitled to one vote per share.

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

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

(Amount in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited, the Ultimate holding company w.e.f 21st October, 2016 (Holding Company upto 20th October, 2016)	93,000,000	30.00%	93,000,000	30.00%
Kotak Securities Limited **	93,000,000	30.00%	93,000,000	30.00%
Kotak Investment Advisors Limited **	62,000,000	20.00%	62,000,000	20.00%
Kotak Mahindra Capital Company Limited **	62,000,000	20.00%	62,000,000	20.00%
	310,000,000	**100.00%**	**310,000,000**	**100.00%**
**** Subsidiary of Kotak Mahindra Bank Ltd.**				

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

(Amount in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited	93,000,000	30%	93,000,000	30%
Kotak Securities Limited	93,000,000	30%	93,000,000	30%
Kotak Investment Advisors Limited	62,000,000	20%	62,000,000	20%
Kotak Mahindra Capital Company Limited	62,000,000	20%	62,000,000	20%
	310,000,000	**100%**	**310,000,000**	**100%**

NOTE 14 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Special reserve	1,480.22	800.51
Capital redemption reserve	19.00	19.00
General reserve	2.50	2.50
Capital contribution from parent	119.78	65.01
Retained earnings	5,433.69	3,066.58
Share issue expenses	(30.59)	(30.59)
Impairment Reserve	-	-
Total	**7,024.60**	**3,923.01**

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 14.1 Nature and purpose of reserve

Special reserve

Special reserve represents appropriation of retained earning as per Section 45 IC of the Reserve Bank of India Act, 1934.

Capital redemption reserve

Capital redemption reserve is created on redemption/buy back of preference/equity share capital. Capital redemption reserve includes transfer from General reserve on redemption/buy back of preference / equity shares.

General reserve

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

Capital contribution from parent

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

Retained earnings

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

Share Issue Expenses

Share Issue Expenses comprises of stamp duty expense incurred by the company on issuance of share. This being transaction cost directly attributable to issuance of equity instruments is considered as other component of equity.

Impairment Reserve

As directed by RBI vide circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment reserve'.(Refer note 39)

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 14.2 Other equity movement

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
(i) Special reserve		
Opening balance	800.51	287.57
Addition during the year	679.71	512.94
Closing balance	**1,480.22**	**800.51**
(ii) Capital redemption reserve		
Opening balance	19.00	19.00
Addition during the year	-	-
Closing balance	**19.00**	**19.00**
(iii) General reserve		
Opening balance	2.50	2.50
Addition during the year	-	-
Closing balance	**2.50**	**2.50**
(iv) Capital contribution from parent		
Opening balance	65.01	20.87
Addition during the year	54.77	44.14
Closing balance	**119.78**	**65.01**
(v) Retained earnings		
Opening balance	3,066.58	1,139.97
Net profit for the year	3,045.06	2,441.41
Transferred to Special Reserve under section 45IC of Reserve Bank of India, Act 1934	(679.71)	(512.94)
Actuarial gain/ (loss) on remeasurement of defined benefit plan	1.76	(1.86)
Closing balance	**5,433.69**	**3,066.58**
(vi) Share Issue expenses		
Opening balance	(30.59)	(30.59)
Addition during the year	-	-
Closing balance	**(30.59)**	**(30.59)**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 15 INTEREST INCOME

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020				For the year ended March 31st, 2019			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income
Interest on loans	-	5,699.71	-	5,699.71	-	3,347.04	-	3,347.04
Interest income from investments	-	1,913.54	-	1,913.54	-	1,856.95	-	1,856.95
Interest on deposits with banks	-	104.30	-	104.30	-	95.75	-	95.75
Total	**-**	**7,717.55**	**-**	**7,717.55**	**-**	**5,299.74**	**-**	**5,299.74**

Disaggregation of revenue

The Company's operations fall into a single business segment comprising of 'financing infrastructure projects' and activities incidental thereto, and all it's operations are carried out in India. The information given in note 15, 16 and 17 meet the objective with respective to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

NOTE 16 NET GAIN ON FINANCIAL INSTRUMENTS MEASURED ON FAIR VALUE

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Net gain/ (loss) on financial instruments at fair value through profit or loss		
Mutual Fund	301.42	787.28
Total Net gain on financial instruments measured on fair value	**301.42**	**787.28**
Fair value changes:		
- Realised	305.25	949.95
- Unrealised (Net) @	(3.83)	(162.67)
Total	**301.42**	**787.28**

@ Net of unrealised gain/(loss) of previous period transferred to realised gain/(loss)

NOTE 17 OTHER INCOME

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Net gain/(loss) on Sale of property, plant and equipment	-	11.50
Interest on Income Tax refund	2.62	-
Miscellaneous income	28.04	-
Total	**30.66**	**11.50**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 18 FINANCE COSTS

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
On financial liabilities measured at fair value through profit or loss		
Interest on commercial papers	21.32	-
Interest on debt securities	3,971.08	2,985.52
Interest on subordinated liabilities	5.25	6.32
Total	**3,997.65**	**2,991.84**

NOTE 19 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
On Financial instruments measured at Amortised Cost		
Loans	347.47	(7.59)
Investments	1.49	(10.99)
Cash and Cash Equivalent	2.16	0.06
Bank balances	0.00	0.00
Other Receivables	0.00	(0.48)
Security Deposits	-	-
Total	**351.12**	**(19.00)**

NOTE 20 EMPLOYEE BENEFITS EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Salaries and wages	323.93	295.66
Contribution to provident and other funds	16.20	13.50
Share based payment to employees	113.26	114.63
Staff welfare expenses	1.38	2.07
Total	**454.77**	**425.86**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 21 OTHER EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Rent, taxes and energy costs	40.24	42.04
Repairs and maintenance	1.11	2.26
Communication Costs	0.47	1.35
Advertisement and business promotion expenses	0.08	2.32
Directors' fees, allowances and expenses	19.80	13.73
Auditors' fees and expenses (Refer Note 24)	7.17	7.19
Legal and Professional charges	12.95	25.17
Insurance	1.22	0.17
Travelling and Conveyance	13.26	4.78
Common Establishment Expenses	123.47	127.31
Expenses on Corporate Social Responsibility (Refer Note 25)	15.00	6.00
Miscellaneous Expenses	38.49	23.44
Membership Fees	0.26	1.06
Total	**273.52**	**256.81**

NOTE 22 EARNINGS PER EQUITY SHARE

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

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

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
A)	Net profit attributable to equity holders	3,045.06	2,441.41
B)	**Profit attributable to equity holders of the Company**	**3,045.06**	**2,441.41**
C)	**Weighted average number of ordinary shares**		
	Issued ordinary shares at the beginning of the year	310,000,000	310,000,000
	Weighted average number of shares at the end of the year	**310,000,000**	**310,000,000**
D)	**Face value per share**	**10.00**	**10.00**
E)	**Basic & Diluted earnings per share**	**0.98**	**0.79**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 23 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in lakhs)

Sr. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
	Contingent liabilities:		
a)	Contingent liability in respect of demand from IT authorities	-	-
	Total	**-**	**-**

Provident Fund

The Honourable Supreme Court has recently provided a judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation 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. With regard to above Supreme Court (SC) judgement there are various interpretative issues including applicability and the impact thereof cannot be quantified however, the Company has obtained a legal advice in this matter that this judgement should be applicable from March 2019.

NOTE 24 PAYMENT TO AUDITORS

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
	Payment to the auditors as:		
a)	Auditors	7.00	7.00
B)	For reimbursement of expenses	0.17	0.19
	Total	**7.17**	**7.19**

NOTE 25 CORPORATE SOCIAL RESPONSIBILITY

Average net profits of the company during three financial years preceding FY2018-19 has exceeded ₹ 5 crores for first time and accordingly requirement of Section 135 of Companies Act has become applicable to the Company from FY18-19.

The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its ultimate holding company. Company aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. CSR programs being undertaken are in the area of education, healthcare, livelihood, vocational skill development, sports and other areas such as relief and rehabilitation and environmental sustainability etc.

As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 30.32 lakhs (Previous year: ₹12.89 lakhs) on CSR activities.

Details of corporate social responsibility expenditure

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
a)	Amount required to be spent during the year	30.32	12.89
b)	Amount spent during the year		
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	15.00	6.00
	Total	**15.00**	**6.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 26 RELATED PARTY DISCLOSURE

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

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
(a)	**Holding company:**		
	Kotak Mahindra Bank Limited	India	30.00%
	Kotak Securities Limited	India	30.00%
	Kotak Investment Advisors Limited	India	20.00%
	Kotak Mahindra Capital Company Limited	India	20.00%
(b)	**Fellow subsidiary:**		
	Kotak Securities Limited	India	
	Kotak Mahindra Capital Company Limited	India	
	Kotak Investment Advisors Limited.	India	
	Kotak General Insurance Company Limited	India	
	Kotak Mahindra Life Insurance Company (Kotak Life)	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Mahindra Investments Limited (KMIL)	India	
	Kotak Mahindra Asset Management Company Limited	India	
	Kotak Mahindra Trusteeship Services Limited	India	
	Kotak Mahindra (UK) Limited	UK	
	Kotak Mahindra (International) Limited	Mauritius	
	Kotak Mahindra Asset Management (Singapore) Pte. Ltd.	Singapore	
	Kotak Mahindra Inc	USA	
	Kotak Mahindra Financial Services Limited	U.A.E.	
	Kotak Mahindra Trustee Company Ltd	India	
	Kotak Mahindra Pension Fund Limited	India	
	BSS Microfinance Limited	India	
	IVY Product Intermediaries Limited	India	
(c)	**Key Management Personnel**		
	Mr. Manoj Gupta, CEO & CFO		
	Mr. Dipak Gupta		
	Mr.K.V.S Manian		
	Mr.Arvind Kathpalia		
	Mr.Uday Phadke*		
	Ms.Sujata Guhathakurta		
	Mr.Raghunandan Maluste*		
(d)	**Others**		
	Kotak Education foundation(till 27 Dec, 2019)		

*Categorized as Key Management Personnel as per definition of Ind AS 24, however both the directors Continue to be independent directors as defined in section 149 (6) of the Companies act 2013

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Transactions with related parties

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

Transactions with key management personnel

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

(a) Key management personnel compensation*

Sr. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
i.	Short-term employee benefits	173.49	155.81
ii.	Post-employment defined benefit	7.78	7.25
iii.	Share-based payments	123.18	84.76

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

(b) Transactions with other related parties

A. During the year following transaction were entered into with related parties:

(Amount in lakhs)

Sr. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
I	**Holding Company**		
	-Kotak Mahindra Bank Limited		
	Transactions during the year :		
	FINANCE		
	Interest on Term Deposits / Corporate Bond / Loan	18.00	62.66
	Borrowings	-	15,000.00
	Term Deposits - Placed	14,100.38	68,210.00
	Term Deposits - Redeemed	6,272.23	68,210.00
	Transfer of asset	0.96	-
	Loan Purchase from Holding Company	7,704.85	-
	Interest on Borrowings	3,194.00	2,984.81
	Interest Accrued on NCDs	1,344.17	1,494.17
	(Repayment) Interest Accrued on NCDs	1,494.17	486.86
	OTHER RECEIPTS & PAYMENTS		
	Rent expenses	37.92	39.91
	Reimbursement of Operating expenses - KMBL	6.65	7.18
	Shared Service Cost	106.96	112.31
	Dividend paid	5.25	5.25
	Demat charges	0.04	0.02
	Service Charges received	24.00	6.00

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Sr. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
	IPA fees	0.10	-
	Balance outstanding as at the year end :		
	FINANCE		
	Equity Shares	9,300.00	9,300.00
	Term Deposits	7,837.47	23.09
	Preference shares	70.00	70.00
	Borrowings	41,333.24	41,483.68
	Current and Savings account balances ('CASA')	1,170.93	1,218.61
	OTHER RECEIPTS & PAYMENTS		
	Shared services payable	15.89	8.12
	Demat deposit and DP payable	0.01	-
II	**Fellow Subsidiaries**		
	Transactions during the year :		
	FINANCE		
	Transfer of liability		
	-Kotak Mahindra Investment limited	-	1.25
	Shared Service Cost - KMIL		
	-Kotak Mahindra Investment limited	16.50	17.09
	Life Insurance paid		
	-Kotak General Insurance Company Limited	0.04	-
	Car Insurance Paid		
	-Kotak General Insurance Company Limited	-	0.02
	Transfer of assets		
	-Kotak Mahindra Investment limited	0.30	-
	Balance outstanding as at the year end :		
	FINANCE		
	Equity shares		
	-Kotak Securities Ltd	9,300.00	9,300.00
	-Kotak Investment Advisor Ltd	6,200.00	6,200.00
	-Kotak Mahindra Capital Company Ltd	6,200.00	6,200.00
	OTHER RECEIPTS & PAYMENTS		
	Shared services payable		
	-Kotak Mahindra Investments Limited	1.49	-
	Prepaid Insurance expenses		

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Sr. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
	-Kotak General Insurance Company Limited	0.04	0.17
	Receivable from employee transfer		
	-Kotak Mahindra Prime Limited	-	1.25
	Reimbursement payable		
	-Kotak Mahindra Investments Limited	3.13	2.10
III	**Others**		
	Transactions during the year :		
	Kotak education foundation (CSR expense)	15.00	6.00
	Aero Agencies Limited - Travel & other miscellaneous charges (Management fees)	0.15	0.46

NOTE 27 LEASE

While applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases:

- exemption related to short-term leases and
- exemption related to leases of low value assets

Accordingly, rent payment to holding/fellow Subsidiary Company for sharing of Premises are recognized in Statement of profit & Loss under the head "Rent, taxes and energy costs" amounting to ₹ 37.91 lakhs (PY ₹ 39.91 lakhs).

NOTE 28 EMPLOYEE BENEFITS

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

(i) Defined Contribution Plans:

The Company makes Provident Fund contributions to Recognized Provident Fund for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.16.20 lakhs (Year ended 31 March, 2019 Rs. 13.50) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme."

(ii) Defined Benefit Plan:

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

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date."

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

	Note	As at March 31st, 2020	As at March 31st, 2019
Total employee benefit liabilities	11	23.32	17.81
Total employee benefit liabilities		23.32	17.81

B. Movement in net defined benefit (asset) liability

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

(Amount in lakhs)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31st, 2020	As at March 31st, 2019	As at March 31st, 2020	As at March 31st, 2019	As at March 31st, 2020	As at March 31st, 2019
Included in profit or loss			-	-	-	-
Opening balance	17.81	15.94	-	-	17.81	15.94
Current service cost	2.57	2.21	-	-	2.57	2.21
Past service cost		-	-	-	-	-
Interest cost (income)	1.18	1.09	-	-	1.18	1.09
	21.56	**19.24**	**-**	**-**	**21.56**	**19.24**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	(0.01)	-	-	-	(0.01)
Financial assumptions	0.41	0.81	-	-	0.41	0.81
Experience adjustment	1.35	(2.66)	-	-	1.35	(2.66)
Return on plan assets excluding interest income	-	-	-	-	-	-
	1.76	**(1.86)**	**-**	**-**	**1.76**	**(1.86)**
Other						
Contributions paid by the employer		-		0.39	-	0.39
Liabilities assumed / (settled)	-	0.83		-	-	0.83
Benefits paid	-	(0.40)		(0.39)	-	(0.79)
Closing balance	**23.32**	**17.81**	**-**	**-**	**23.32**	**17.81**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					23.32	17.81
					23.32	**17.81**

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Expenses recognised in profit & loss

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Current service cost	2.57	2.21
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	1.18	1.09
(Gains) / losses on settlement	-	-
	3.75	**3.30**

D. Remeasurements recognised in other comprehensive income

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Actuarial loss (gain) arising from:		
Demographic assumptions	-	(0.01)
Financial assumptions	0.41	0.81
Experience adjustment	1.35	(2.66)
Return on plan assets excluding interest income	-	-
	1.76	**(1.86)**

E. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	As at March 31st, 2020	As at March 31st, 2019
Discount rate	6.40%	7.15%
Salary escalation rate	0% until year 1 inclusive, then 7.00%	7.00%

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.

Particulars	As at March 31st, 2020		As at March 31st, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	22.54	24.14	17.24	18.41
Future salary growth (0.5% movement)	23.71	22.94	18.03	17.60

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.

F. Experience Adjustments

(Amount in lakhs)

Particulars	Gratuity Year ended 31st March					
	2020	2019	2018	2017	2016	2015
Defined benefit obligation	23.32	17.81	15.94	-	9.87	9.91
Plan assets	-	-	-	-	-	-
Surplus / (deficit)	(23.32)	(17.81)	(15.94)	-	(9.87)	(9.91)
Experience adjustments on plan liabilities	1.35	(2.66)	-	-	(0.04)	0.90
Experience adjustments on plan assets	-	-	-	-	-	-

G. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized ₹ -3.66 lakhs* (Previous year. ₹ 4.55 lakh) for Compensated Absences in the Statement of Profit and Loss. *Reversal of provision during FY 2019-20 is due to change in compensated absence policy of the Company

H Long Service Award

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

NOTE 29 SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

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

(a) Kotak Mahindra Equity Option Scheme 2007; and

(b) Kotak Mahindra Equity Option Scheme 2015

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

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

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

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Scheme Reference	Grant Date	Method of Settlement Accounting	31st March, 2020			31st March, 2019		
			No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2007-47								
C	9-May-15	Equity settled				2104	30-Jun-18	3.65
D	9-May-15	Equity settled	2104	31-Dec-18	4.15	2104	31-Dec-18	4.15
2015-02								
B	19-May-16	Equity settled				2604	31-Jul-18	2.70
C	19-May-16	Equity settled	1736	30-Jun-19	3.62	1736	30-Jun-19	3.62
D	19-May-16	Equity settled	1736	30-Nov-19	3.87	1736	30-Nov-19	3.87
2015-07								
A	15-May-17	Equity settled				6438	31-Aug-18	1.79
B	15-May-17	Equity settled	6438	31-Oct-19	2.96	6438	31-Oct-19	2.96
C	15-May-17	Equity settled	4292	30-Jun-20	3.63	4292	30-Jun-20	3.63
D	15-May-17	Equity settled	4292	31-Dec-20	4.13	4292	31-Dec-20	4.13
2015-14								
A	18-May-18	Equity settled	4860	31-Jul-19	1.71	4860	31-Jul-19	1.71
B	18-May-18	Equity settled	4860	31-Oct-20	2.95	4860	31-Oct-20	2.95
C	18-May-18	Equity settled	3240	30-Jun-21	3.62	3240	30-Jun-21	3.62
D	18-May-18	Equity settled	3240	31-Dec-21	4.12	3240	31-Dec-21	4.12
2015-19								
A	20-May-19	Equity settled	5037	31-Jul-20	1.70			
B	20-May-19	Equity settled	5037	31-Oct-21	2.95			
C	20-May-19	Equity settled	3358	30-Jun-22	3.62			
D	20-May-19	Equity settled	3358	31-Dec-22	4.12			

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

As at 31st March, 2020

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
2015-07	15-May-17	1.30 - 3.63	0.50 - 0.50	1.54 - 3.88	955.00	954.65	6.64% - 6.95%	0.06%	20.74% - 35.44%	145.98 - 349.84
2015-14	18-May-18	1.20 - 3.62	0.50 - 0.50	1.45 - 3.87	1,271.00	1,270.70	7.44% - 7.99%	0.06%	18.68% - 32.95%	184.60 - 465.70
2015-19	20-May-19	1.20 - 3.62	0.50 - 0.50	1.45 - 3.87	1,460.00	1,460.00	6.63% - 7.03%	0.05%	21.16% - 31.00%	230.35 - 508.28

As at 31st March, 2019

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
2007-47	9-May-15	1.40 - 3.65	0.50 - 0.50	1.65 - 3.90	1,330.00	1,329.50	7.91% - 8.07%	0.07%	27.61% - 29.29%	267.02 - 473.14
2015-02	19-May-16	1.37 - 3.53	0.33 - 0.50	1.62 - 3.70	710.00	708.90	7.25% - 7.46%	0.07%	26.32% - 27.96%	134.08 - 229.80
2015-07	15-May-17	1.30 - 3.63	0.50 - 0.50	1.54 - 3.88	955.00	954.65	6.64% - 6.95%	0.06%	20.74% - 35.44%	145.98 - 349.84
2015-14	18-May-18	1.20 - 3.62	0.50 - 0.50	1.45 - 3.87	1,271.00	1,270.70	7.44% - 7.99%	0.06%	18.68% - 32.95%	184.60 - 465.70

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2020.

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

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2020

Scheme	Grant Date	31st March, 2020							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
2007-47	9-May-15	2,104	-	(2,104)	-	-	-	-	-
2015-02	19-May-16	3,472	-	(3,472)	-	-	-	-	-
2015-07	15-May-17	15,022	-	(6,438)	-	-	-	8,584	-
2015-14	18-May-18	16,200	-	(4,860)	-	-	-	11,340	-
2015-19	20-May-19	-	16,790	-	-	-	-	16,790	-
		36,798	**16,790**	**(16,874)**	**-**	**-**	**-**	**36,714**	**-**

Scheme	Grant Date	31st March, 2019							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
2007-47	9-May-15	4,208	-	(2,104)	-	-	-	2,104	2,104
2015-02	19-May-16	6,076	-	(2,604)	-	-	-	3,472	-
2015-07	15-May-17	21,460	-	(6,438)	-	-	-	15,022	-
2015-14	18-May-18	-	16,200	-	-	-	-	16,200	-
2015-19	20-May-19	-	-	-	-	-	-	-	-
		31,744	**16,200**	**(11,146)**	**-**	**-**	**-**	**36,798**	**2,104**

* This represents transfer of employees within Bank and its subsidiaries

Schedules forming part of Balance Sheet and Profit and Loss Account

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,619.28 (Previous year: ₹ 1,286.74).

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

ESOP Scheme	Range of exercise prices (₹)	31st March, 2020			31st March, 2019		
		Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
2015-02	701-800	0	0.00	0	3472	0.88	710
2015-07	901-1000	8584	1.00	955	15022	1.61	955
2015-14	1201-1300	11340	1.61	1271	16200	2.08	1271
2007-47	1301-1400	0	0.00	0	2104	0.25	700
2015-19	1401-1500	16790	2.08	1460	0	0.00	0

ii. Stock Appreciation Rights (cash-settled)

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 3440 SARs during FY 2019- 20. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 years to 3.67 years

Scheme Reference	Grant Date	Method of Settlement Accounting	31st March, 2020			31st March, 2019		
			No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015 Series 4								
Tranche V-2A	19-May-16	Cash settled	-	-	-	479	31-Jul-18	2.20
Tranche V-2B	19-May-16	Cash settled	-	-	-	479	7-Aug-18	2.22
Tranche V-2C	19-May-16	Cash settled	-	-	-	479	14-Aug-18	2.24
Tranche V-3A	19-May-16	Cash settled	319	30-Jun-19	3.12	319	30-Jun-19	3.12
Tranche V-3B	19-May-16	Cash settled	319	7-Jul-19	3.13	319	7-Jul-19	3.13
Tranche V-3C	19-May-16	Cash settled	320	14-Jul-19	3.15	320	14-Jul-19	3.15
Tranche V-4A	19-May-16	Cash settled	319	30-Nov-19	3.53	319	30-Nov-19	3.53
Tranche V-4B	19-May-16	Cash settled	319	7-Dec-19	3.55	319	7-Dec-19	3.55
Tranche V-4C	19-May-16	Cash settled	320	14-Dec-19	3.57	320	14-Dec-19	3.57
Series 2015/04								
Tranche III	9-May-15	Cash settled	-	-	-	1148	30-Jun-18	3.15
Tranche V	9-May-15	Cash settled	-	-	-	1148	31-Dec-18	3.65
Scheme 2015 Series 9								
Tranche V2-1	15-May-17	Cash settled	-	-	-	461	31-Aug-18	1.30
Tranche V2-2	15-May-17	Cash settled	-	-	-	461	7-Sep-18	1.32
Tranche V2-3	15-May-17	Cash settled	-	-	-	461	14-Sep-18	1.33
Tranche V2-1	15-May-17	Cash settled	461	31-Oct-19	2.46	461	31-Oct-19	2.46

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme Reference	Grant Date	Method of Settlement Accounting	31st March, 2020			31st March, 2019		
			No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Tranche V2-2	15-May-17	Cash settled	461	7-Nov-19	2.48	461	7-Nov-19	2.48
Tranche V2-3	15-May-17	Cash settled	461	14-Nov-19	2.50	461	14-Nov-19	2.50
Tranche V3-1	15-May-17	Cash settled	307	30-Jun-20	3.13	307	30-Jun-20	3.13
Tranche V3-2	15-May-17	Cash settled	307	7-Jul-20	3.15	307	7-Jul-20	3.15
Tranche V3-3	15-May-17	Cash settled	308	14-Jul-20	3.17	308	14-Jul-20	3.17
Tranche V4-1	15-May-17	Cash settled	307	31-Dec-20	3.63	307	31-Dec-20	3.63
Tranche V4-2	15-May-17	Cash settled	307	7-Jan-21	3.65	307	7-Jan-21	3.65
Tranche V4-3	15-May-17	Cash settled	308	14-Jan-21	3.67	308	14-Jan-21	3.67
Scheme 2015, Series 17								
Tranche V1-1	18-May-18	Cash settled	362	31-Jul-19	1.20	362	31-Jul-19	1.20
Tranche V1-2	18-May-18	Cash settled	362	7-Aug-19	1.22	362	7-Aug-19	1.22
Tranche V1-3	18-May-18	Cash settled	362	14-Aug-19	1.24	362	14-Aug-19	1.24
Tranche V2-1	18-May-18	Cash settled	362	31-Oct-20	2.46	362	31-Oct-20	2.46
Tranche V2-2	18-May-18	Cash settled	362	7-Nov-20	2.48	362	7-Nov-20	2.48
Tranche V2-3	18-May-18	Cash settled	362	14-Nov-20	2.50	362	14-Nov-20	2.50
Tranche V3-1	18-May-18	Cash settled	242	30-Jun-21	3.12	242	30-Jun-21	3.12
Tranche V3-2	18-May-18	Cash settled	241	7-Jul-21	3.14	241	7-Jul-21	3.14
Tranche V3-3	18-May-18	Cash settled	241	14-Jul-21	3.16	241	14-Jul-21	3.16
Tranche V4-1	18-May-18	Cash settled	242	30-Dec-21	3.62	242	30-Dec-21	3.62
Tranche V4-2	18-May-18	Cash settled	241	7-Jan-22	3.64	241	7-Jan-22	3.64
Tranche V4-3	18-May-18	Cash settled	241	14-Jan-22	3.66	241	14-Jan-22	3.66
Scheme 2015, Series 22								
Tranche V1-1	20-May-19	Cash settled	344	31-Jul-20	1.20			
Tranche V1-2	20-May-19	Cash settled	344	7-Aug-20	1.22			
Tranche V1-3	20-May-19	Cash settled	344	14-Aug-20	1.24			
Tranche V2-1	20-May-19	Cash settled	344	31-Oct-21	2.45			
Tranche V2-2	20-May-19	Cash settled	344	7-Nov-21	2.47			
Tranche V2-3	20-May-19	Cash settled	344	14-Nov-21	2.49			
Tranche V3-1	20-May-19	Cash settled	230	30-Jun-22	3.12			
Tranche V3-2	20-May-19	Cash settled	229	7-Jul-22	3.14			
Tranche V3-3	20-May-19	Cash settled	229	14-Jul-22	3.16			
Tranche V4-1	20-May-19	Cash settled	230	31-Dec-22	3.62			
Tranche V4-2	20-May-19	Cash settled	229	7-Jan-23	3.64			
Tranche V4-3	20-May-19	Cash settled	229	14-Jan-23	3.66			

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:

As at 31st March, 2020

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015, Series 17	18-May-18	0.59 - 1.79	0.59 - 1.79	-	1,293.70	4.59% - 5.18%	0.06%	31.65% - 42.98%	1292.27 - 1293.23
Scheme 2015 Series 9	15-May-17	0.25 - 0.79	0.25 - 0.79	-	1,293.70	4.31% - 4.74%	0.06%	38.78% - 58.10%	1293.07 - 1293.50
Scheme 2015 Series 22	16-Oct-19	0.33 - 2.79	0.33 - 2.79	-	1,293.70	4.38% - 5.40%	0.06%	27.74% - 51.43%	1291.47 - 1293.43

As at 31st March, 2019

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015, Series 17	18-May-18	0.33 - 2.79	0.33 - 2.79	-	1,334.50	6.29% - 6.74%	0.05%	21.03% - 27.91%	1332.54 - 1334.27
Scheme 2015 Series 9	15-May-17	0.59 - 1.79	0.59 - 1.79	-	1,334.50	6.39% - 6.65%	0.05%	22.31% - 28.06%	1333.24 - 1334.09
Scheme 2015 Series 4	19-May-16	0.25 - 0.71	0.25 - 0.71	-	1,334.50	6.25% - 6.44%	0.05%	19.74% - 27.53%	1334.00 - 1334.32

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2020.

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

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	As at 31st March, 2020						
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
Scheme 2015, Series 17	18-May-18	3,620	-	(1,086)	-	-	-	2,534
Scheme 2015 Series 9	15-May-17	3,227	-	(1,383)	-	-	-	1,844
Scheme 2015 Series 4	19-May-16	1,916	-	(1,916)	-	-	-	-
Series 2015/04	9-May-15	-	-	-	-	-	-	-
Scheme 2015 Series 22	20-May-19	-	3,440	-	-	-	-	3,440
		8,763	**3,440**	**(4,385)**	**-**	**-**	**-**	**7,818**

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme	Grant Date	As at 31st March, 2019						
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
Scheme 2015, Series 17	18-May-18	-	3,620.00	-	-	-	-	3,620
Scheme 2015 Series 9	15-May-17	4,610.00	-	(1,383.00)	-	-	-	3,227
Scheme 2015 Series 4	19-May-16	3,353.00	-	(1,437.00)	-	-	-	1,916
Series 2015/04	9-May-15	2,296.00	-	(2,296.00)	-	-	-	-
Scheme 2015 Series 22	20-May-19	-	-	-	-	-	-	-
		10,259	**3,620**	**(5,116)**	**-**	**-**	**-**	**8,763**

* This represents transfer of employees from Holding Company and its subsidiaries

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

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at March 31, 2019
Total Employee compensation cost pertaining to share-based payment plans	113.26	114.63
Compensation cost pertaining to equity-settled employee share-based payment plan included above	54.77	44.14
Closing balance of liability for cash-settled options	60.07	69.98
Total intrinsic value of liabilities for vested benefits	-	-

NOTE 30 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

30.1. Accounting classification

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

(Amount in lakhs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others
Financial assets								
Cash and cash equivalents	10,778.93	-	-	-	1,230.40	-	-	-
Bank Balance other than cash and cash equivalent	28.26	-	-	-	23.08	-	-	-
Loans	58,112.56	-	-	-	45,389.70	-	-	-
Investments	20,185.07	-	-	-	22,073.00	-	7,418.83	-
Other financial assets	0.10	-	-	-	-	-	-	-
Total	**89,104.92**	**-**	**-**	**-**	**68,716.18**	**-**	**7,418.83**	**-**
Financial liabilities								
Payables								
Trade Payables	63.04				40.84			
Debt securities	52,056.18	-	-	-	41,483.68	-	-	-
Subordinated Liabilities	75.25	-	-	-	76.32	-	-	-
Total	52,194.47	-	-	-	41,600.84	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

30.2. Fair Value

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

(Amount in lakhs)

Particulars	Fair value							
	As at March 31, 2020				As at March 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Mutual Funds	-	-	-	-	7,418.83	-	-	7,418.83
Total	**-**	**-**	**-**	**-**	**7,418.83**	**-**	**-**	**7,418.83**

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

(Amount in lakhs)

Particulars	Fair value							
	As at March 31, 2020				As at March 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans		57,838.84		57,838.84	-	41,503.57	-	41,503.57
Investments		20,748.72		20,748.72	-	22,463.39	-	22,463.39
Total	**-**	**78,587.56**	**-**	**78,587.56**	**-**	**63,966.96**	**-**	**63,966.96**
Financial liabilities								
Debt securities		51,977.16		51,977.16	-	41,271.83	-	41,271.83
Subordinated Liabilities		71.18		71.18	-	72.15	-	74.07
Total	**-**	**52,048.34**	**-**	**52,048.34**	**-**	**41,343.98**	**-**	**41,345.90**

Fair value of Statement of Financial Position is presented below:

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	10,778.93	10,778.93	1,230.40	1,230.40
Bank Balance other than cash and cash equivalent	28.26	28.26	23.08	23.08
Loans	58,112.56	57,838.84	45,389.70	43,503.57
Investments	20,185.07	20,748.72	29,491.83	29,882.22
Total	**89,104.82**	**89,394.75**	**76,135.01**	**74,639.27**
Financial liabilities				
Payables				
Trade Payables	63.04	63.04	40.84	40.84
Debt securities	52,056.18	51,977.16	41,483.68	41,271.83
Subordinated Liabilities	75.25	71.18	76.32	72.15
Total	**52,194.47**	**52,111.38**	**41,600.84**	**41,384.82**

The fair value of trade payables, other financial assets, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities etc. are considered to be the same as their carrying amount, due to current and short term nature of such balances. The fair value of short term financial assets i.e. loans are considered to be the same as their carrying amount.

30.3. Measurement of fair values

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

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

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

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

30.3.1. Financial instruments valued at carrying value

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

Schedules forming part of Balance Sheet and Profit and Loss Account

30.3.2. Valuation techniques used to determine fair value:

30.3.2.1. Investments in Mutual Funds

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

30.3.2.2. Investments in debentures

The fair values of investments are calculated based on a discounted cash flow model. It considers the present value of expected receipts/ payments discounted using appropriate discounting rates.

30.3.3. Fair value of financial instruments carried at amortised cost

30.3.3.1. Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates were based on yield curves appropriate for the remaining maturities of the Loans as published by FIBIL consequently for the purposes of level disclosures categorized under Level 2. Fair value of Level 2 loans would decrease (increase) in value depending on increase (decrease) in discount rate.

30.3.3.2. Borrowings/Preference Share Issued

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

30.4. Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Interest rate risk

30.5. Risk management framework

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

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

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

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Particulars	Carrying Value	Fair Value
Credit Risk	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.	The company adheres to high standards of credit risk management and mitigation. The lending proposals are approved by two tier structure i.e Credit Commmittee and Board and are subjected to thorough assessment of promoters; group financial strength and leverage; operational & financial performance track record; cash flows; evaluation of collateral (projects - considering status of operations, market benchmarking / cash flows). The exposures are regularly monitored for project performance, cash flows, security cover etc. Board of Directors (the Board) of the Company is the guiding body for management of its credit risk and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties, sectoral and geographical caps and by monitoring exposures in relation to such limits.
Liquidity Risk	Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.	Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances. In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the ALCO. Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the ALCO. Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.
Interest rate risk	Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income. Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).	Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the overall risk limits as approved by the Board. The IRS gaps are monitored by ALCO

Schedules forming part of Balance Sheet and Profit and Loss Account

30.5.1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

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

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

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

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans at amortised cost	58,601.19	45,530.86
Investments	20,233.84	22,120.28
Other financial assets	10,809.74	1,253.77
	89,644.77	**68,904.91**

30.5.1.1. Credit quality analysis

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

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Loans at amortised cost			
High grade (AAA to A-)	40,029.93	-	31,868.12
Standard grade (BBB+ to BBB-)	4,724.49	5,351.91	-
Sub-standard grade (B+ to CCC-).	-	-	-
Unrated	8,494.86	-	13,662.74
Non Performing	-	-	-
Gross carrying value	**53,249.28**	**5,351.91**	**45,530.86**
Impairment loss allowance	(241.66)	(246.97)	(141.16)
Carrying amount	**53,007.62**	**5,104.94**	**45,389.70**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Investments at amortised cost			
High grade (AAA to A-)	20,233.84	-	22,120.28
Standard grade (BBB+ to BBB-)	-	-	-
Sub-standard grade (B+ to CCC-).	-	-	-
Unrated	-	-	-
Non Performing	-	-	-
Gross carrying value	**20,233.84**	**-**	**22,120.28**
Impairment loss allowance	(48.77)	-	(47.28)
Carrying amount	**20,185.07**	**-**	**22,073.00**

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Other financial assets			
Current	10,809.64	-	1,253.77
Gross carrying value	**10,809.64**	**-**	**1,253.77**
Impairment loss allowance	(2.45)	-	(0.28)
Carrying amount	**10,807.19**	**-**	**1,253.49**

30.5.1.2 Narrative disclosures of credit risk

The amount of collateral obtained, if deemed necessary by the company upon extension of credit, is based on management's credit evaluation of the counterparty. Security primarily include Infrastructure projects which have completed more than 1 year of operation

30.5.1.3. Amounts arising from ECL

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

Inputs considered in the ECL model:

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk since initial recognition on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, credit assessment and including forward looking information.

Loans and Investments are categorized into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Schedules forming part of Balance Sheet and Profit and Loss Account

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

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

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

Further, company considers following factors to determine staging:

For downgrade from Stage 1 to Stage 2:

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

For upgradation from higher stage to lower stage:

If downgrade was because of deterioration in credit rating (Internal or External), Loan is moved from higher stage to lower stage as soon as rating moves back to rating at the time of initial recognition. In other cases Loan is moved from higher stage to lower stage after following cooling off period is applied:

For Upgrade from Stage 2 to Stage 1

- Account should Continues in lower than 30 dpd for at least six months.

For Upgrade from Stage 3 to Stage 2

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

Assumption considered in the ECL model:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. Company is computing Probability of default using average of default rate observed by respective Credit Rating Agencies over last 10 years for their respective rating.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.
- Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs. Company is applying appropriate hair cut on the value of collateral depending on the type of collateral. All loans are secured by multiple collateral securities (Property, plant and machinery, receivable and Listed Shares). Company further applies minimum LGD for secured and unsecured exposure computed after applying applicable haircut.

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

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

Forward looking information:

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

Assessment of significant increase in credit risk:

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

Credit Impaired:

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

Policy for write-off of Financial assets

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

30.5.1.4. Impairment loss allowance

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

(Amount in lakhs)

Particulars	As at March 31st, 2020		As at March 31st, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Loans at amortised cost			
Opening balance	**141.16**	**-**	**148.76**
Transfer to/(from) 12 month ECL	(3.75)	3.75	-
Net remeasurement of loss allowance	14.51	243.22	(8.41)
New financial assets originated during the year	98.24	-	74.28
Financial assets that have been derecognised during the period	(8.50)	-	(73.47)
Closing balance	**241.66**	**246.97**	**141.16**

(Amount in lakhs)

Particulars	As at March 31st, 2020		As at March 31st, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Investments			
Opening balance	**47.28**	**-**	**58.27**
Net remeasurement of loss allowance	1.49	-	(10.89)
New financial assets originated during the year	-	-	3.87
Financial assets that have been derecognised during the period	-	-	(3.97)
Closing balance	**48.77**	**-**	**47.28**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	As at March 31st, 2020		As at March 31st, 2019
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL
Other financial assets			
Opening balance	**0.28**	**-**	**0.70**
Addition/Reduction during the year	2.17	-	(0.42)
Closing balance	**2.45**	**-**	**0.28**

30.5.2. Liquidity Risk

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

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial asset & liabilities at the reporting date. For Financial Liabilities amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements, if any.For financial assets, only carrying values (excluding any provision for impairment loss) as on the reporting date are considered.

Particulars	Carrying amount	Up to 30 / 31 days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at March 31st, 2020										
Financial assets										
Cash and cash equivalents	10,778.93	10,781.37	-	-	-	-	-	-	-	10,781.37
Bank Balance other than cash and cash equivalents	28.26	-	-	-	5.19	23.08	-	-	-	28.27
Loans	58,112.56	98.24	69.38	831.54	1,251.19	2,017.08	9,573.38	8,933.91	35,826.47	58,601.19
Investments	20,185.07	-	444.77	-	640.61	810.00	7,640.00	1,293.33	9,405.13	20,233.84
Other Financial assets	0.10	-	-	-	-	-	-	-	0.10	0.10
Financial liabilities										
Trade payables	63.04	43.67	-	19.37	-	-	-	-	-	63.04
Debt securities	52,056.18	-	915.00	289.18		1,594.70	32,848.09	28,172.13		63,819.10
Subordinated Liabilities	75.25	-	-	-	-	5.25	80.50	-	-	85.75

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	Carrying amount	Up to 30 / 31 days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at March 31st, 2019										
Financial assets										
Cash and cash equivalents	1,230.40	1,230.68	-	-	-	-	-	-	-	1,230.68
Bank Balance other than cash and cash equivalents	23.08	-	-	-	-	23.09	-	-	-	23.09
Loans	45,389.70	530.15	163.53	620.24	1,444.04	2,834.84	12,740.93	6,537.28	20,659.85	45,530.86
Investments	29,491.83	7,418.83	478.05	-	589.55	850.00	3,113.33	6,716.67	10,372.68	29,539.11
Other Financial assets	-	-	-	-	-	-	-	-	-	-
Financial liabilities										-
Trade payables	40.84	-	32.71	8.12	-	-	-	-	-	40.84
Debt securities	41,483.68	-	-	1,320.00	-	1,782.99	3,344.00	48,211.32	-	54,658.31
Subordinated Liabilities	76.32	-	-	-	-	6.32	12.64	76.32	-	95.28

30.5.3. Interest Rate Risk

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

30.5.3.1. Exposure to interest rate risk

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

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments*		
Financial assets	50,549.30	37,271.39
Financial liabilities	(21,048.96)	(10,324.87)
Variable-rate instruments*		
Financial assets	37,923.93	30,401.58
Financial liabilities	(31,082.48)	(31,235.13)
Rate Insensitive	568.66	8,421.20
Total Net	**36,910.45**	**34,534.17**

*Above amounts are gross of ECL.

30.5.3.2. 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.

Schedules forming part of Balance Sheet and Profit and Loss Account

30.5.3.3. Cash flow sensitivity analysis for variable-rate instruments

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

(Amount in lakhs)

Particulars	As at March 31st, 2020		As at March 31st, 2019	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	68.41	(68.41)	(8.34)	8.34
Cash Flow Sensitivity	**68.41**	**(68.41)**	**(8.34)**	**8.34**

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

30.5.4. Market Risk

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

30.5.5. Currency Risk

The Company is not exposed to currency risk.

Note 30 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

The following table presents the recognised financial instruments and other similar agreements that are available for Set-off but are not Set-off as on the reporting date

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

(Amount in lakhs)

Particulars	Effect of offsetting on the balance sheet				
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Netting potential not recognised on the balance sheet - Financial collaterals obtained[1]	Maximum exposure
March 31, 2020					
Loans and advances					
Loans against securities	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
March 31, 2019					
Loans and advances					
Loans against securities	7,011.62	-	7,011.62	(7,011.62)	-
	7,011.62	**-**	**7,011.62**	**(7,011.62)**	**-**

1. Company obtains financial collateral from its borrowers in form of listed securities. Fair value of the financial collateral obtained is more than the underlying loans exposure. Accordingly, amounts have been capped to the extent it does not exceed the net amount of financial assets presented on the balance sheet.

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 31 CAPITAL DISCLOSURE

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

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

There has been No change in the objectives and policies guiding capital planning from the previous years, however the same is constantly reviewed by the Board.

(Amount in lakhs)

Sr No	Particulars	March 31, 2020	March 31, 2019
(A)	**Debt**	52,131.43	41,560.00
	Total Debt	**52,131.43**	**41,560.00**
(B)	**Total Equity(including all reserves)**	**38,024.60**	**34,923.01**
	Debt to equity ratio	**1.37**	**1.19**

For Capital-to-Risk Weighted Assets (CRAR) ratio as per Regulatory Norm - Refer Note 36.01

NOTE 32 SEGMENT REPORTING

The main Business activity of the Company is to lend/invest for/in Infrastructure projects. , 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. The Company operates in one business segment and one geographical segment. The entire business is carried out in India only. Since there is only one business activity, no segment disclosure is provided as per IND AS 108, "Operating Segments".

NOTE 33 MATURITY DISCLOSURE

(Amount in lakhs)

Particulars	As at March 31st, 2020			As at March 31st, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	10,778.93	-	10,778.93	1,230.40	-	1,230.40
Bank Balance other than cash and cash equivalents	28.26	-	28.26	23.08	-	23.08
Loans	4,214.92	53,897.64	58,112.56	5,596.34	39,793.36	45,389.70
Investments	1,866.86	18,318.21	20,185.07	8,932.52	20,559.31	29,491.83
Other Financial assets	0.10	-	0.10	-	-	-
Sub total	**16,889.07**	**72,215.85**	**89,104.92**	**15,782.34**	**60,352.67**	**76,135.01**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	As at March 31st, 2020			As at March 31st, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets						
Current Tax assets (Net)	-	1,183.57	1,183.57	-	498.82	498.82
Property, Plant and Equipment	-	59.41	59.41	-	76.15	76.15
Other Non-financial assets	39.59	-	39.59	31.96	7.07	39.03
Sub total	**39.59**	**1,242.98**	**1,282.57**	**31.96**	**582.04**	**614.00**
Total Assets	**16,928.66**	**73,458.83**	**90,387.49**	**15,814.30**	**60,934.71**	**76,749.01**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables	63.04	-	63.04	40.84	-	40.84
Debt securities	2,111.43	49,944.75	52,056.18	1,494.17	39,989.51	41,483.68
Subordinated Liabilities	5.25	70.00	75.25	6.32	70.00	76.32
Sub total	**2,179.72**	**50,014.75**	**52,194.47**	**1,541.33**	**40,059.51**	**41,600.84**
Non-Financial liabilities						
Current tax liabilities (Net)	-	32.24	32.24	-	10.40	10.40
Provisions	48.61	50.61	99.22	56.67	50.44	107.11
Other non-financial liabilities	36.96	-	36.96	107.65	-	107.65
Sub total	**85.57**	**82.85**	**168.42**	**164.32**	**60.84**	**225.16**
Total Liabilities	**2,265.29**	**50,097.60**	**52,362.89**	**1,705.65**	**40,120.35**	**41,826.00**

NOTE 34 LITIGATION

The Company does not have any pending litigations as at March 31, 2020 and 31st March, 2019 which would impact its financial position.

NOTE 35 SEBI DISCLOSURE

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

Sr. No.	Particulars	Details
1	Name of the company	Kotak Infrastructure Debt Fund Limited
2	CIN	U65910MH1988PLC048450
3	Outstanding borrowing of company as on March 31st, 2020	₹ 50,000 lakhs*
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	NCD : CRISIL AAA & ICRA AAA
5	Name of Stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange

Schedules forming part of Balance Sheet and Profit and Loss Account

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

Signatories name

Bhavesh Jadhav
Company Secretary

Manoj Gupta
Chief Financial officer

Date -29th April, 2020
* Face Value of Debenture and CPs and Principal Outstanding in case of Loans/ICDs

- In terms para of 3.2(ii) of the circular, beginning F.Y 2022, in the event of shortfall in the mandatory borrowing through debt securities, a fine of 0.2% of the shortfall shall be levied by Stock Exchanges at the end of the two-year block period. Therefore, an entity identified as LC shall provide, in its initial disclosure for a financial year, the name of Stock Exchange to which it would pay the fine in case of shortfall in the mandatory borrowing through debt markets.

35.02. Annual Disclosure to be made by an entity identified as Large Entities under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018

Sr. No.	Particulars	Details
1	Name of the company	Kotak Infrastructure Debt Fund Limited
2	CIN	U65910MH1988PLC048450
3	Incremental borrowing done in FY	10,000 Lakhs
4	Mandatory borrowing to be done through issuance of debt securities	2,500 Lakhs
5	Actual borrowings done through debt securities in FY	10,000 Lakhs
6	Shortfall in the mandatory borrowing through debt securities, if any	NIL
7	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

For Kotak Infrastructure Debt Fund Limited

Signatories name

Bhavesh Jadhav
Company Secretary

Manoj Gupta
Chief Financial office

Note 35.03 Disclosures under Listing Agreement for Debt Securities

Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Debenture Trustees:

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel. : 022-40807050
Fax : 022-40807021
Email: jimit@idbitrustee.com
Website: www.idbitrustee.com

Schedules forming part of Balance Sheet and Profit and Loss Account

Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	31-Mar-20	March 31, 2019
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are Interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(Refer Related party disclosure Note 26)

Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Asset cover

The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 26.21 lakhs (gross value) and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) with an asset cover ratio of minimum 1.00 time value of the debentures during the tenure of the debentures.

NOTE 36 DISCLOSURES AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI

Note 36.01 Capital to Risk Weighted Assets Ratio (CRAR)

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.0	CRAR (%)	43.61%	46.82%
2.0	CRAR - Tier I Capital (%)	43.20%	46.47%
3.0	CRAR - Tier II Capital (%)	0.41%	0.35%
4.0	Amount of subordinated debt raised as Tier-II capital	-	-
5.0	Amount raised by issue of Perpetual Debt Instruments	-	-

Note 36.02 Investments

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.0	**Value of Investments**		
1.1	**Gross Value of Investments:**		
i	In India	20,233.84	29,539.11
ii	Outside India,	-	-
1.2	**Provisions for Depreciation:**		
i	In India	48.77	47.28
ii	Outside India,	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.3	**Net Value of Investments**		
i	In India	20,185.07	29,491.83
ii	Outside India,	-	-
2.0	**Movement of provisions held towards depreciation on investments**		
2.1	**Opening balance**	47.28	58.27
2.2	Add : Provisions made during the year	1.49	3.87
2.3	Less : Write-off / write-back of excess provisions during the year		(14.86)
2.4	**Closing balance**	48.77	47.28

Note 36.03 Derivatives

36.03.1. Forward Rate Agreement / Interest Rate Swap

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1	The notional principal of swap agreements	-	-
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps $	-	-
5	The fair value of the swap book @	-	-

36.03.2. Exchange Traded Interest Rate (IR) Derivatives

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
2	Notional principal amount of exchange traded IR derivatives outstanding	-	-
3	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA
4	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA

36.03.3. Disclosures on Risk Exposure in Derivatives

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

Schedules forming part of Balance Sheet and Profit and Loss Account

36.03.4. Quantitative Disclosures

(Amount in lakhs)

Sr No	Particulars	Currency Derivatives	Interest Rate Derivatives
1.0	Derivatives (Notional Principal Amount)		
	For hedging	-	-
2.0	Marked to Market Positions		
i	Assets(+)	-	-
ii	Liability(-)	-	-
3.0	Credit Exposure	-	-
4.0	Unhedged Exposures	-	-

Note 36.04 Disclosures relating to Securitisation

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

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020
1.0	No of SPVs sponsored by the NBFC for securitization transactions*	-
2.0	Total amount of securitized assets as per books of the SPVs sponsored	-
3.0	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
3.1	Off-balance sheet exposures	
	First loss	-
	Others	-
3.2	On-balance sheet exposures	
	First loss	-
	Others	-
4.0	Amount of exposures to securitization transactions other than MRR	
4.1	Off-balance sheet exposures	
i	Exposure to own securitizations	
	First loss	-
	Others	-
ii	Exposure to third party securitizations	
	First loss	-
	Others	-
4.2	On-balance sheet exposures	
i	Exposure to own securitizations	
	First loss	-
	Others	-
ii	Exposure to third party securitizations	
	First loss	-
	Others	-

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

Schedules forming part of Balance Sheet and Profit and Loss Account

36.04.2. Details of Assignment transactions undertaken by applicable NBFCs

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.0	No. of accounts	-	-
2.0	Aggregate value (net of provisions) of accounts sold	-	-
3.0	Aggregate consideration	-	-
4.0	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5.0	Aggregate gain / loss over net book value	-	-

36.04.3. Details of non-performing financial assets purchased / sold - Nil (Previous year Nil)

Note 36.05 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31st, 2020

Particulars	0-14 Days	14-31 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month"	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-
Advances	87.02	11.22	69.38	831.54	1,251.19	2,017.08	9,573.38	8,933.91	35,337.84	58,112.56
Investments	-	-	444.77	-	640.61	810.00	7,640.00	1,293.33	9,356.36	20,185.07
Borrowings*	-	-	769.60	890.03	-	454.14	25,075.25	24,942.41	-	52,131.43
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-

As at March 31st, 2019

Particulars	Upto 1 Months	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	530.15	163.53	620.24	1,444.04	2,834.84	12,740.93	6,537.28	20,518.69	45,389.70
Investments	7,418.83	478.05	-	589.55	850.00	3,113.33	6,716.67	10,325.41	29,491.83
Borrowings*	-	-	1,004.46	-	496.04	-	40,059.60	-	41,560.10
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* Interest accrued on loans and NCDs to be added as per due date/s into the bucket while diminution/reduction to be adjusted into with last bucket of Over 5 Years

Note: In computing the above information, the management has made certain estimates, assumptions and adjustments, which are used for regulatory submission

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 36.06 Exposures

36.06.1. Exposure to Real Estate Sector:

(Amount in lakhs)

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.0	**Direct Exposure**		
1.1	Residential Mortgages:	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
1.2	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include nonfund based (NFB) limits;	-	-
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
i	Residential,		
ii	Commercial Real Estate.		
2.0	**Indirect Exposure**		
2.1	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
2.2	Investment in Real Estate Venture Funds	-	-
	Total	**-**	**-**

36.06.2. Exposure to Capital Market

Sr No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1.1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
1.2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	7,000.00
1.3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
1.4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
1.5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
1.6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
1.7	Bridge loans to companies against expected equity flows / issues	-	-
1.8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total	**-**	**7,000.00**

36.06.3. Financing of parent company products : Nil (Previous year Nil)

36.06.4. Disclosure in respect of exposure where details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has exceeded : Nil (Previous year Nil)

36.06.5. Unsecured Advances:

The amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral – ₹ Nil (Previous year Nil)

Note 36.07 Registration obtained from other financial sector regulators: Nil

Note 36.08 Disclosure of Penalties imposed by RBI and other regulators: Nil (Previous year Nil)

Note 36.09 Related Party Transactions

36.09.1. Details of all material transactions with the related parties

Refer Note No. 26

36.09.2. Policy on dealing with Related Party transaction:

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

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

Note 36.10 Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Instrument	Rating	Effective Date	Valid Upto
CRISIL	Long Term Rating for Non-Convertible Debentures aggregating ₹ 1000 Cr	"CRISIL AAA/stable"	3-Feb-20	1-Aug-20
CRISIL	Short Term Debt Programmed (including Commercial Paper) for ₹ 30 Cr	"CRISIL A1+"	3-Feb-20	3-Apr-20
ICRA	Long Term Rating for Non-Convertible Debentures aggregating ₹ 1000 Cr	ICRA AAA/stable"	9-Mar-20	** Upto the maturity of the NCD's issued under the same
ICRA	Short Term Debt Programmed (including Commercial Paper) for ₹ 30 Cr.	"ICRA A1+"	9-Mar-20	8-Jun-21

Note 36.11 Remuneration of Directors

The details of transaction with Non-Executive Independent Directors are as below:

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Directors' Sitting Fees	11.80	8.48
Commission to Directors	8.00	5.25

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 36.12 Provisions and Contingencies

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

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Provisions / (write back) for depreciation on Investment at Amortized Cost	1.49	(10.99)
Provision / (write back) for NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets/Stage 1 and 2 cases	351.12	(19.00)

Note 36.13 Draw Down from Reserves

There was no draw down from reserves during the financial year. (Previous year Nil)

Note 36.14 Concentration of Deposits, Advances, Exposures and NPAs

36.14.1. Concentration of Advances

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Total Advances to twenty largest borrowers / customers	75,168.24	65,687.09
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	95%	97%

36.14.2. Concentration of Exposure**

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Total Exposure to twenty largest borrowers / customers	76,554.04	73,410.74
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	95%	95%

** Exposures refers to higher of sanctioned limits or outstanding. Sanctioned limits are unconditionally cancellable at any time by the company without prior notice.

36.14.3. Concentration of NPAs

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Total Exposure to top four NPA accounts	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

36.14.4. Sector-Wise NPAs

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

Note 36.15 Movement of NPAs

(Amount in lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Net NPAs to Net Advances (%)	-	-
Movement of NPAs (Gross)		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
Movement of Net NPAs		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	-	-
Provisions made during the year	-	-
Write-off / write-back of excess provisions	-	-
Closing balance	-	-

Note 36.16 Overseas Assets: Nil

Note 36.17 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

Note 36.18 Customer Complaints

Particulars	As at March 31st, 2020
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	-
No. of complaints redressed during the year	-
No. of complaints pending at the end of the year	-

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 36.19 Schedule to the Balance Sheet

Liabilities Side

(Amount in lakhs)

Sr No	Particulars	Amount Outstanding	Amount Overdue
1.0	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
a	Debentures: Secured #	52,056.18	-
	Debentures: Unsecured #	-	-
b	Deferred Credits	-	-
c	Terms Loans	-	-
d	Inter-corporate loans and borrowing	-	-
e	Commercial Paper	-	-
f	Public Deposits a	-	-
g	Other Loans – Secured Overdfraft facility from Bank	-	-

Debenture are payable at Maturity at the end of tenure and are Secured by Mortgage of Flat and charge on loans & Advances.

Assets Side

(Amount in lakhs)

Sr No	Particulars	Amount Outstanding
2.0	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below:**	
a	Secured	58,601.02
b	Unsecured	0.17
3.0	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
i	Leased Assets including lease rentals under sundry debtors	
a	Financial Lease	-
b	Operating Lease	-
ii	Stock on hire including hire charges under sundry debtors	
a	Assets on hire	-
b	Repossessed Assets	-
iii	Other loans counting towards AFC activities	
a	Loans where assets have been repossessed	-
b	Loans other than (a) above	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Sr No	Particulars			Amount Outstanding
4.0	**Break-up of Investments:**			
	Current Investments:			
	4.1	Quoted:		
		i	Shares:	
			a Equity	-
			b Preference	-
		ii	Debentures and Bonds	1,300.61
		iii	Units of Mutual Funds	-
		iv	Government Securities	-
		v	Others (please specify)	-
	4.2	Unquoted:		-
		i	Shares:	
			a Equity	-
			b Preference	-
		ii	Debentures and Bonds	573.02
		iii	Units of Mutual Funds	-
		iv	Government Securities	-
		v	Others (please specify)	-
	Long Term Investments:			
	4.3	Quoted:		
		i	Shares:	
			a Equity	-
			b Preference	-
		ii	Debentures and Bonds	9,766.67
		iii	Units of Mutual Funds	-
		iv	Government Securities	-
		v	Others (please specify)	-
	4.4	Unquoted:		-
		i	Shares:	
			a Equity	-
			b Preference	-
		ii	Debentures and Bonds	8,593.54
		iii	Units of Mutual Funds	-
		iv	Government Securities	-
		v	Others (please specify)	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Sr No	Particulars	Amount Net of provisions		
		Secured	Unsecured	Total
5.0	**Borrower group-wise classification of assets financed as in (2) and (3) above**			
5.1	Related Parties **			
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	Other related parties	-	-	-
5.2	Other Than Related Parties	58,112.39	0.17	58,112.56
	Total	**58,112.39**	**0.17**	**58,112.56**

** As per Indian Accounting Standard issued by MCA (Please see Note b)

(Amount in lakhs)

Sr No	Particulars	Amount Net of provisions	
		Secured	Unsecured
6.0	**Investor group-wise classification of all investments (current and long term) in the shares and securities (both quoted and unquoted)**		
6.1	Related Parties **		
a	Subsidiaries	-	-
b	Companies in the same group	-	-
c	Other related parties	-	-
6.2	Other Than Related Parties	20,185.07	20,185.07
	Total	**20,185.07**	**20,185.07**

** As per Indian Accounting Standard issued by MCA (Please see Note b)

(Amount in lakhs)

Sr No	Particulars	Amount
7.00	**Other information:**	
i	Gross Non-Performing Assets @	
a	Related parties	-
b	Other than related parties	-
ii	Net Non-Performing Assets @	
a	Related parties	-
b	Other than related parties	-
iii	Assets acquired in satisfaction of debt	-

@ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due and other qualitative factors has been considered as default for classifying a financial instrument as credit impaired.

Notes:

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

b) All Accounting Standards and Guidance Notes issued by MCA are applicable including for valuation of investments and other assets as assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current

NOTE 37 DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA ON LIQUIDITY RISK UNDER LIQUIDITY RISK MANAGEMENT FRAMEWORK

37.01. Funding Concentration based on significant counterparty (both deposits and borrowings)

As at March 31st, 2020

(Amount in lakhs)

Sr No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	4	52,056.18	NA	99%

37.02. Top 20 large deposits Nil (Previous year Nil)"

37.03. Top 10 Borrowings

As at March 31st, 2020

(Amount in lakhs)

Sr No	Name of the party	Amount	% of Total Borrowings
1	Kotak Mahindra Bank Limited	41,333.24	79.40%
2	A K Capital Finance Limited	8,042.21	15.45%
3	A K Capital Services Limited	1,608.44	3.09%
4	Britannia Industries Limited	1,072.29	2.06%

37.04. Funding Concentration based on significant instrument/product

As at March 31st, 2020

(Amount in lakhs)

Sr No.	Name of Significant Instrument / Product	Amount	% of Total Liabilities
1	Non Convertible Debentures	52,056.18	99%

37.05. Stock Ratios:

As at March 31st, 2020

Sr No	Instrument/Product	%age of		
		Total Public Funds	Total Liabilities	Total Assests
1	Commercial Papers	0%	0%	0%
2	Non Convertible Debentures (Original Maturity of Less than One Year)	0%	0%	0%
3	Other Short Term Liabilities	0%	0%	0%

37.06. Institutional set-up for liquidity risk management

Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances.

In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the ALCO.

Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the ALCO.

Schedules forming part of Balance Sheet and Profit and Loss Account

Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.

NOTE 38 DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION – MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016 - NONE

NOTE 39 DISCLOSURE UNDER GUIDANCE NOTE ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS BY NON-BANKING FINANCIAL COMPANIES AND ASSET RECONSTRUCTION COMPANIES

Note 39.01: Number of accounts, total amount outstanding and the overdue amounts of accounts that are past due beyond 90 days but not treated as impaired

Nil

Note 39.02: Comparison between provisions required under Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances as per Ind AS 109

As at March 31st, 2020

(Amount in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	73,483.12	290.43	73,192.70	248.75	41.68
	Stage 2	5,351.91	246.97	5,104.95	21.50	225.47
Subtotal		**78,835.03**	**537.40**	**78,297.65**	**270.25**	**267.15**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-			
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	-	-	-	-	-
Total		**78,835.03**	**537.40**	**78,297.64**	**270.25**	**267.15**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 40 DISCLOSURE REQUIRED UNDER COVID19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING

(Amount in lakhs)

Particulars	As at March 31st, 2020
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	-
Amount where asset classification benefits is extended	-
Provision Created *	-
Less: Provisions adjusted during the against slippages *	-
Residual provisions *	-

* As per Ind AS 109

NOTE 41

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

For S R Batliboi & Associates LLP
Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Sarvesh Warty
Partner
Membership No: 121411

For and on behalf of the Board of Directors

Dipak Gupta
Director
DIN: 00004771

KVS Manian
Director
DIN: 00031794

Manoj Gupta
Chief Executive Officer
& Chief Financial Officer

Bhavesh Jadhav
Company Secretary

Date and Place: June 22, 2020, Mumbai