Independent Auditor's Report

To The Members of Kotak Mahindra Trusteeship Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **Kotak Mahindra Trusteeship Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

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

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including Annexures to Directors' Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

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

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

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Ketan Vora

Partner

(Membership No. 100459)

UDIN: 20100459AAAAKP2571

Place: Mumbai

Date: 23rd June 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Kotak Mahindra Trusteeship Services Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 20100459AAAAKP2571

Place: Mumbai
Date: 23rd June 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Kotak Mahindra Trusteeship Services Limited for the year ended 31st March 2020)

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

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

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3 (i) (c) of the Order is not applicable. The Company does not have any inventory and hence reporting under clause 3 (ii) of the Order is not applicable.

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

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

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax or Service Tax or Goods and Service Tax as on 31st March 2020 on account of disputes.

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

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. The managerial remuneration includes commission to non-executive directors shown under "Directors' Fees and Expenses" in Note 23 - "Other Expenses" to the financial statements, which is provided subject to the approval of the shareholders in a general meeting.

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

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

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

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

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Ketan Vora

Partner

Place: Mumbai

(Membership No. 100459)

Date: 23rd June, 2020

UDIN: 20100459AAAAKP2571

Balance Sheet

as at March 31, 2020

	Note No.	As at March 31, 2020 ₹	As at March 31, 2019 ₹
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	40.72	5.94
(b) Other Intangible assets	5	-	-
(c) Financial Assets	6	0.10	0.10
(d) Non current tax assets	7	0.03	-
(e) Deferred tax assets (Net)	24	22.02	24.94
Total Non-Current Assets		**62.87**	**30.98**
Current Assets			
(a) Financial Assets			
(i) Trade receivables	8	202.19	175.85
(ii) Cash and cash equivalents	9	44.30	0.02
(iii) Bank balance other than (ii) above	10	1,937.79	1,826.53
(b) Other current assets	11	6.21	3.82
Total Current Assets		**2,190.49**	**2,006.22**
Total Assets		**2,253.36**	**2,037.20**
LIABILITIES AND EQUITY			
EQUITY			
(a) Equity Share capital	12	8.96	8.96
(b) Other Equity	13	2,075.75	1,827.97
TOTAL EQUITY		**2,084.71**	**1,836.93**
LIABILITIES			
Non-Current Liabilities			
(a) Long term provisions	14	49.70	51.06
(b) Other non-current liabilities	15	-	1.03
Total Non-Current Liabilities		**49.70**	**52.09**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		30.77	33.57
(ii) Other current financial liabilities	16	-	25.00
(b) Short term provisions	17	29.54	35.72
(c) Current tax liabilities (Net)	18	14.34	13.85
(d) Other current liabilities	19	44.30	40.04
Total Current Liabilities		**118.94**	**148.18**
Total Equity and Liabilities		**2,253.36**	**2,037.20**
Significant Accounting Policies & Notes to Accounts	3-33		

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

Ketan Vora
Partner

Mumbai
Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandrashekhar Sathe
Director
DIN: 00017605

Chetan Desai
Director
DIN: 03506544

Profit and Loss Account

for the year ended March 31, 2020

	Particulars	Note No.	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
I	Revenue from Operations	20	806.00	671.36
II	Other Income	21	111.11	117.75
III	**Total Income (I+II)**		**917.11**	**789.11**
IV	**EXPENSES**			
	Employee benefits expenses	22	436.15	470.18
	Depreciation, amortization and impairment	4 & 5	8.09	4.25
	Other expenses	23	170.83	132.35
	Total Expenses (IV)		**615.07**	**606.78**
V	**Profit / (loss) before tax (III-IV)**		**302.04**	**182.33**
VI	**Tax expense**	24		
	(1) Current tax		84.31	102.61
	(2) Current tax pertaining to prior periods		(0.81)	(0.83)
	(3) Deferred tax charge/(credit)		2.69	(40.55)
	Total tax expense (1+2+3)		**86.19**	**61.23**
VII	**Profit / (loss) for the period (V-VI)**		**215.85**	**121.10**
VIII	**Other comprehensive income**	24		
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		0.92	(3.47)
	Income Tax relating to Items that will not be reclassified to Profit or Loss		(0.23)	0.96
	Total Other Comprehensive Income		**0.69**	**(2.51)**
IX	**Total Comprehensive Income for the period (VII+VIII)**		**216.54**	**118.59**
X	**Earnings per equity share**	25		
	Basic (Rs.)		240.85	135.13
	Diluted (Rs.)		240.85	135.13
	Significant Accounting Policies & Notes to Accounts	3-33		

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

Ketan Vora
Partner

Mumbai
Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandrashekhar Sathe
Director
DIN: 00017605

Chetan Desai
Director
DIN: 03506544

Cash Flow Statement

for the year ended 31st march, 2020

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		302.04	182.33
Adjustments:			
(a)	Depreciation / amortization	8.09	4.25
(b)	Profit on Sale / Adjustments of Property, Plant & Equipment (net)	(2.30)	-
(c)	Net Gain on Fair Value Changes of Investments	-	(57.48)
(d)	Impairment Loss Allowance	2.09	2.23
(e)	Share based payments	31.24	37.48
(f)	Actuarial gain/loss	0.92	(3.47)
(g)	Interest income	(108.81)	(60.27)
Operating profit before working capital changes		**233.27**	**105.07**
Working capital changes			
(a)	(Decrease)/ Increase in trade payables	(2.79)	4.37
(b)	(Decrease)/ Increase in other short term provisions	(6.19)	14.91
(c)	(Decrease) in other current financial liabilities	(25.00)	(16.76)
(d)	Increase/ (Decrease) in other current liabilities	4.25	(1.76)
(e)	(Decrease)/ Increase in other long term provisions	(1.36)	17.75
(f)	(Decrease) in other non current liabilities	(1.03)	(1.00)
(g)	Decrease / (increase) in trade receivables	(27.80)	34.15
(h)	(Increase) in long-term loans and advances	-	(0.10)
(i)	(Increase)/ Decrease in other current assets	(2.39)	1.63
Cash generated from operations		**170.96**	**158.26**
Income tax paid (net of refunds)		(83.04)	(91.57)
Net cash flows (used in) operating activities (A)		**87.92**	**66.69**
CASH FLOW FROM INVESTING ACTIVITIES			
(a)	Deposits placed with bank (other than Cash & Cash equivalents)	(4,071.69)	(2,110.00)
(b)	Proceeds from fixed deposits (other than Cash & Cash equivalents)	3,966.71	299.06
(c)	Purchase of Property, Plant & Equipment	(47.19)	-
(d)	Proceeds from sale of Property, Plant & Equipment	6.62	-
(e)	Purchase of current investments	-	(236.00)
(f)	Redemption of current investments	-	1,923.43
(g)	Interest received	101.91	56.60
Net cash flows generated from investing activities (B)		**(43.64)**	**(66.91)**
Net increase in cash and cash equivalents (A+B)		**44.28**	**(0.22)**
Cash and cash equivalents at the beginning of the year		0.02	0.24
Cash and cash equivalents at the end of the year		**44.30**	**0.02**
Reconciliation of cash and cash equivalents with the balance sheet			
Cash and cash equivalents as per balance sheet (refer note 9)			
	Cash on hand	-	-
	Balances with banks in current account	44.33	0.02
	Less: Impairment loss allowance	(0.03)	-
Cash and cash equivalents as restated as at the year end		**44.30**	**0.02**

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

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

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

Mumbai
Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandrashekhar Sathe
Director
DIN: 00017605

Chetan Desai
Director
DIN: 03506544

Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity share capital

(Amount in INR)

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Balance at the beginning of the reporting period	8.96	8.96
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**8.96**	**8.96**

B. Other equity

(Amount in INR)

PARTICULARS	RESERVES AND SURPLUS			TOTAL
	SECURITIES PREMIUM	CAPITAL CONTRIBUTION FROM PARENT	RETAINED EARNINGS	
Balance as at March 31, 2018	**496.03**	**32.76**	**1,143.11**	**1,671.90**
Profit for the year	-	-	121.10	121.10
Other comprehensive income for the year (net of tax)	-	-	(2.51)	(2.51)
Total Comprehensive Income for the year ended 31st March, 2019	**-**	**-**	**118.59**	**118.59**
Share based payments	-	37.48	-	37.48
Balance as at March 31, 2019	**496.03**	**70.24**	**1,261.70**	**1,827.97**
Profit for the year	-	-	215.85	215.85
Other comprehensive income for the year (net of tax)	-	-	0.69	0.69
Total Comprehensive Income for the year ended 31st March, 2020	**-**	**-**	**216.54**	**216.54**
Share based payments	-	31.24	-	31.24
Balance as at March 31, 2020	**496.03**	**101.48**	**1,478.24**	**2,075.75**

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

Ketan Vora
Partner

Mumbai
Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandrashekhar Sathe
Director
DIN: 00017605

Chetan Desai
Director
DIN: 03506544

Schedules

Forming part of Balance Sheet and Profit and Loss Account

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

A. Statement of compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (herein after referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Director's on 23rd June, 2020.

B. Impact of Covid-19 pandemic

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.

Due to uncertainty around the course of the COVID-19 pandemic, we do not 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 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.

C. Operating Cycle

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

D. Functional and presentation currency

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

E. Basis of measurement

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

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

F. Use of estimates and judgements

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

Judgement, estimates and assumptions are required in particular for:

I. Revenue

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

Schedules

Forming part of Balance Sheet and Profit and Loss Account

(a) Identifying performance obligation in the contract:

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

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

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

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

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

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

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 28.

IV. Recognition of deferred tax assets

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

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII. Fair value of share-based payments

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

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

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

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Forming part of Balance Sheet and Profit and Loss Account

VIII. Fair value of financial instruments

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

IX. Business model assessment

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

X. Effective Interest Rate (EIR) method

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

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

XI. Impairment of financial assets

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

XII. Impairment of non-financial assets

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

XIII. Determination of lease term

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

XIV. Discount rate for lease liability

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

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Forming part of Balance Sheet and Profit and Loss Account

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

a. Revenue recognition

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

b. Impairment of Non-Financial Assets

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

c. Impairment on Financial Assets

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

d. Fair value of financial instruments

Fair value hierarchy of financial assets which carried at fair value is either at Level 1, Level 2 and Level 3.

Financial assets which are classified as Level 1 is marked to an active market which factors the uncertainties arising out of COVID-19. Financial assets which are classified as Level 2 and Level 3, uncertainties arising out of COVID-19 is incorporated in discounts rates, credit spread and expected cashflows. Accordingly, impact has been considered while fair value the financial assets.

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

G. Adoption of new and revised standards

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

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

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 while applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17, 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.

H. Amendments to existing Ind AS:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

Computers	3 years
Vehicles	4 years

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

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

B. Intangible assets

i. Recognition and measurement

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Software	3 years

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

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Forming part of Balance Sheet and Profit and Loss Account

C. Leases

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

i. the contract involves the use of identified asset;

ii. the company has substantially all the economic benefits from the use of the asset through the period of lease ; and

iii. the company has right to direct the use of the asset.

As Lessee

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

D. Revenue recognition

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

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

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

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

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

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

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

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

Revenue from trusteeship and estate planning services

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

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

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

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

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

Interest Income

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

Dividend Income

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

E. Income Tax

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

F. Employee benefits

Defined Contribution Plan

Provident Fund

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

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Forming part of Balance Sheet and Profit and Loss Account

Defined Benefit Plan

Gratuity

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

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

Compensated Absences

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

Other Employee Benefits

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

As per the Company policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method.

G. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

H. Impairment of non-financial assets

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

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

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

I. Provisions and contingent liabilities

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

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Forming part of Balance Sheet and Profit and Loss Account

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

J. Share based payments

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

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

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

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

Stock Appreciation Rights ("SARs") - Cash Settled

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

K. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. For detailed disclosure, refer Note 32.

L. Financial Instruments

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

Financial assets

Recognition and Initial measurement

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

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

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

Classification

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

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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 information provided to the management. The information considered includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile,
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

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

Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

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Forming part of Balance Sheet and Profit and Loss Account

Gains and losses on these equity instruments are never recycled to the Statement of Profit and Loss. Dividends are recognised in the Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

M. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

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

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

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

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

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

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

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

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

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

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

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

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Method used to compute lifetime ECL:

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

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

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

N. Write-offs

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

O. Derecognition of financial assets and financial liabilities

Financial Assets

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

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

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

Financial liabilities

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

P. Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

Q. Offsetting financial instruments

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

R. Measurement of fair values

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

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

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

S. Cash and cash equivalents

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

T. Cash Flow Statement

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

U. Trade receivable

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

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

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NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(Amount in lakhs)

Particulars	Vehicles	Computers	Total
Balance as at April 1, 2018	**14.47**	**-**	**14.47**
Additions during the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2019	**14.47**	**-**	**14.47**
Accumulated depreciation as at April 1, 2018	**4.28**	**-**	**4.28**
Depreciation for the year	4.25	-	4.25
Disposals during the year	-	-	-
Balance as at March 31, 2019	**8.53**	**-**	**8.53**
Net carrying amount as at March 31, 2019	**5.94**	**-**	**5.94**
Balance as at April 1, 2019	**14.47**	**-**	**14.47**
Additions during the year	46.84	0.35	47.19
Disposals during the year	(14.47)	-	(14.47)
Balance as at March 31, 2020	**46.84**	**0.35**	**47.19**
Accumulated depreciation as at April 1, 2019	**8.53**	**-**	**8.53**
Depreciation for the year	7.94	0.15	8.09
Disposals during the year	(10.15)	-	(10.15)
Balance as at March 31, 2020	**6.32**	**0.15**	**6.47**
Net carrying amount as at March 31, 2020	**40.52**	**0.20**	**40.72**

Impairment loss and reversal of impairment loss

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

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NOTE 5 INTANGIBLE ASSETS

(Amount in lakhs)

Particulars	Software	Total
Balance as at April 1, 2018	**0.50**	**0.50**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2019	**0.50**	**0.50**
Accumulated amortisation	**0.50**	**0.50**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2019	**0.50**	**0.50**
Net carrying amount as at March 31, 2019	**-**	**-**
Balance as at April 1, 2019	**0.50**	**0.50**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2020	**0.50**	**0.50**
Accumulated amortisation	**0.50**	**0.50**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2020	**0.50**	**0.50**
Net carrying amount as at March 31, 2020	**-**	**-**

Impairment loss and reversal of impairment loss
There is no impairment loss recognised for intangible assets

NOTE 6 NON-CURRENT FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits		
Unsecured, considered good	0.10	0.10
Total	**0.10**	**0.10**

NOTE 7 NON CURRENT TAX ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	0.03	-
Total	**0.03**	**-**

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 8 TRADE RECEIVABLES

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good (Refer Note 30)	206.09	177.86
Debts due by Directors	0.59	1.02
Sub total	**206.68**	**178.88**
Less: Impairment loss allowance	(4.49)	(3.03)
Total	**202.19**	**175.85**

NOTE 9 CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current account	44.33	0.02
Less: Impairment loss allowance	(0.03)	-
Total	**44.30**	**0.02**

NOTE 10 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance in fixed deposits with original maturity of more than 3 months but less than 12 months	1,939.01	1,827.14
Sub total	**1,939.01**	**1,827.14**
Less: Impairment loss allowance	(1.22)	(0.61)
Total	**1,937.79**	**1,826.53**

NOTE 11 OTHER CURRENT ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Prepaid Expenses	1.40	0.08
GST Receivable	4.81	3.34
Others	-	0.40
Total	**6.21**	**3.82**

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NOTE 12 EQUITY SHARE CAPITAL

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
1,00,000 (March 31, 2019: 1,00,000) equity shares of Rs.10 each with voting rights	10.00	10.00
Issued, subscribed and paid up		
89,619 (March 31, 2019: 89,619) equity shares of Rs.10 each with voting rights	8.96	8.96

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

(Amount in lakhs)

Particulars	No. of shares	Amount
Equity shares of Rs 10 each, fully paid-up		
As at March 31, 2018	89,619	8.96
Add/(less) : Movement during the year	-	-
As at March 31, 2019	**89,619**	**8.96**
Add/(less) : Movement during the year	-	-
As at March 31, 2020	**89,619**	8.96

b. Rights, preferences and restrictions attached to equity shares

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

c. Shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (of the above 60 Shares are held jointly with its nominees)	89,619	100.00%	89,619	100.00%

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (with nominees)	89,619	100.00%	89,619	100.00%

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 13 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium	496.03	496.03
Contribution from Parent	101.48	70.24
Retained Earnings	1,478.24	1,261.70
Total	**2,075.75**	**1,827.97**

Notes

13 (a) Nature and purpose of reserves

Securities Premium

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

Contribution from Parent

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

Retained Earnings

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

13 (b) Other equity movement

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Opening balance	496.03	496.03
Addition during the year	-	-
Closing balance	**496.03**	**496.03**
Contribution from Parent		
Opening balance	70.24	32.76
Addition during the year	31.24	37.48
Closing balance	**101.48**	**70.24**
Retained Earnings		
Opening balance	1,261.70	1,143.11
Addition during the year:		
Profit for the year	215.85	121.10
Other comprehensive income for the year (net of tax)	0.69	(2.51)
Closing balance	**1,478.24**	**1,261.70**

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 14 LONG TERM PROVISIONS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity (Refer Note 28)	29.39	26.23
Compensated Absences	8.51	10.92
Stock Appreciation Rights (Refer Note 29)	11.80	13.91
Total	**49.70**	**51.06**

NOTE 15 OTHER NON-CURRENT LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract liabilities (Refer Note 33)	-	1.03
Total	**-**	**1.03**

NOTE 16 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee related payables	-	25.00
Total	**-**	**25.00**

NOTE 17 SHORT TERM PROVISIONS

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity (Refer Note 28)	6.24	5.79
Compensated Absences	3.84	8.91
Stock Appreciation Rights (Refer Note 29)	19.46	21.02
Others		
Total	**29.54**	**35.72**

NOTE 18 CURRENT TAX LIABILITIES (NET)

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Tax	14.34	13.85
Total	**14.34**	**13.85**

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 19 OTHER CURRENT LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract liabilities (Refer Note 33)	0.97	1.00
GST payable	31.19	29.25
Statutory dues payable	12.14	9.79
Total	**44.30**	**40.04**

NOTE 20 REVENUE FROM OPERATIONS

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Trusteeship fees	806.00	671.36
Total	**806.00**	**671.36**

NOTE 21 OTHER INCOME

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	108.81	60.27
Net gains on fair value changes for investments classified at FVTPL*	-	57.48
Net gain on sale of fixed assets	2.30	-
Total	**111.11**	**117.75**

* Net gains on fair value changes include NIL (previous year: ₹ 178.52 lakhs) as 'Net gain or loss on sale of investments'.

NOTE 22 EMPLOYEE BENEFITS EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	351.43	377.36
Contribution to provident and other funds	18.23	16.57
ESOP (Refer note 29)	31.24	37.48
Stock Appreciation Rights (Refer note 29)	28.09	33.92
Gratuity (Refer note 28)	6.49	4.55
Staff welfare expenses	0.67	0.30
Total	**436.15**	**470.18**

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NOTE 23 OTHER EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent (Refer note 27)	42.43	42.47
Travelling and conveyance	3.04	4.60
Legal, professional and consultancy charges	24.25	31.27
Rates and taxes	0.04	0.01
Directors fees and expenses *	18.40	12.00
Payment to auditors		
As Statutory Audit Fees	3.50	3.50
For Reimbursement of Expenses	-	0.02
Common Establishment Expenses	36.35	21.00
Impairment loss on:		
Trade receivables	21.73	1.62
Bank balances	0.64	0.61
Miscellaneous expenses	20.45	15.25
Total	**170.83**	**132.35**

* includes commission of ₹ 10 lakhs (Previous year ₹ 4 lakhs) payable to directors subject to approval of shareholders in general meeting.

NOTE 24 TAX EXPENSE

(a) Amounts recognised in profit and loss

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current period	84.31	102.61
Changes in estimated related to prior years	(0.81)	(0.83)
Total current tax expense (A)	**83.50**	**101.78**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	0.39	(40.55)
Reduction in tax rate	2.30	-
DEFERRED TAX EXPENSE (B)	**2.69**	**(40.55)**
Tax expense for the year (A)+(B)	**86.19**	**61.23**

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Forming part of Balance Sheet and Profit and Loss Account

(b) Amounts recognised in other comprehensive income

(Amount in lakhs)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	0.92	(0.23)	0.69	(3.47)	0.96	(2.51)
Total	**0.92**	**(0.23)**	**0.69**	**(3.47)**	**0.96**	**(2.51)**

(c) Reconciliation of effective tax rate

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	302.04	182.33
Tax Rate	25.17%	27.82%
Tax using applicable tax rate	**76.02**	**50.72**
Tax effect of:		
Amounts which are not deductible for taxable income	7.87	10.55
Effect of different tax rate	2.30	-
Others	-	(0.04)
Total income tax expense	**86.19**	**61.23**

(d) Movement in deferred tax balances

(Amount in lakhs)

Particulars	As at March 31, 2020				
	Net opening balance	Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset/ (liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	1.44	(1.05)	-	(1.05)	0.39
Fair value of Investments	-	-	-	-	-
Employee benefits	24.14	(3.97)	(0.23)	(4.20)	19.94
Impairment Loss Allowances	(1.20)	2.65	-	2.65	1.45
Deferred income	0.56	(0.32)	-	(0.32)	0.24
Total	**24.94**	**(2.69)**	**(0.23)**	**(2.92)**	**22.02**

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(Amount in lakhs)

Particulars	As at March 31, 2019				
	Net opening balance	Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset/ (liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	0.82	0.62	-	0.62	1.44
Fair value of Investments	(33.67)	33.67	-	33.67	-
Employee benefits	15.06	8.12	0.96	9.08	24.14
Impairment Loss Allowances	0.39	(1.59)	-	(1.59)	(1.20)
Deferred income	0.83	(0.27)	-	(0.27)	0.56
Total	**(16.57)**	**40.55**	**0.96**	**41.51**	**24.94**

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

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

NOTE 25 EARNINGS PER SHARE

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

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

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A)	Net profit attributable to equity holders (₹ In lakhs)	215.85	121.10
B)	Weighted average number of ordinary shares	89,619	89,619
C)	Face value per share (INR)	10	10
D)	Basic earnings per share (INR)	240.85	135.13
E)	Diluted earnings per share (INR)	240.85	135.13

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 26 RELATED PARTY DISCLOSURES

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

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
a)	**Holding company:**		
	Kotak Mahindra Bank Limited	India	100.00%
	Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 29.92% of the equity share capital and 19.65% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31st March, 2020.		
b)	**Fellow subsidiaries with whom transactions have taken place during the year:**		
	- Kotak Mahindra Life Insurance Company Limited (Formerly known as Kotak Mahindra Old Mutual Life Insurance Company Limited)	India	
	- Kotak Mahindra General Insurance Company Limited	India	
	- Kotak Investment Advisors Limited	India	
c)	**Key Management Personnel/ Directors and the related entities**		
	Key Management Personnel/ Directors:		
	- K M Gherda - Director		
	- Shivaji Dam - Director		
	- Chandrashekhar Sathe - Director		
	- Tushar Mavani - Director		
	- Chetan Desai - Director		
	Related entities of Key Management Personnel/ Directors:		
	- Chandrashekhar Sathe Family Trust		
d)	**Key Management Personnel/Director of holding company and their related entity with whom transactions have taken place during the year:**		
	- Dipak Gupta		
	- Manians Family Trust		

B. Transactions with key management personnel

i. Key management personnel compensation

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i.	Directors Remuneration (Commission to Non-Executive Directors)	18.40	12.00

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 26 RELATED PARTY DISCLOSURES (CONTINUED)

ii. Transactions with related parties

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

(Amount in lakhs)

Nature of Transaction	Year ended March 31	Holding Company	Fellow Subsidiary Kotak Mahindra Life Insurance Company Limited	Fellow Subsidiary Kotak Investment Advisors Limited	Fellow Subsidiary Kotak Mahindra General Insurance Company Limited	Key Management Personnel/ Directors and related entities	Key Management Personnel/ Directors of holding company and related entities	Total
Interest on Fixed Deposits	2020	108.81	-	-	-	-	-	108.81
	2019	60.27	-	-	-	-	-	60.27
Fixed Deposits Placed	2020	4,071.69	-	-	-	-	-	4,071.69
	2019	2,110.00	-	-	-	-	-	2,110.00
Fixed Deposits Redeemed	2020	3,966.71	-	-	-	-	-	3,966.71
	2019	299.06	-	-	-	-	-	299.06
Other Operating Expenses	2020	10.74	-	-	-	-	-	10.74
	2019	7.91	-	-	-	-	-	7.91
Rent Expenses	2020	42.43	-	-	-	-	-	42.43
	2019	42.47	-	-	-	-	-	42.47
Insurance Premium paid	2020	-	-	-	0.31	-	-	0.31
	2019	-	0.27	-	0.17	-	-	0.43
Common Establishment Expenses	2020	7.90	-	28.45	-	-	-	36.35
	2019	-	-	21.00	-	-	-	21.00
Employee Transfer	2020	-	-	-	-	-	-	-
	2019	1.93	-	-	-	-	-	1.93
Fixed Asset Transfer	2020	0.35	-	-	-	-	-	0.35
	2019	-	-	-	-	-	-	-
ESOP Expense	2020	31.24	-	-	-	-	-	31.24
	2019	37.48	-	-	-	-	-	37.48
Directors Remuneration	2020	-	-	-	-	18.40	-	18.40
	2019	-	-	-	-	12.00	-	12.00
Trusteeship Fees Income	2020	-	-	-	-	1.00	6.55	7.55
	2019	-	-	-	-	1.00	-	1.00
Balance Outstanding								
Trade Receivables	2020	-	-	-	-	0.59	0.65	1.24
	2019	-	-	-	-	1.02	-	1.02
Other Current Assets	2020	-	-	-	-	-	-	-
	2019	-	-	-	0.08	-	-	0.08
Bank balances	2020	44.30	-	-	-	-	-	44.30
	2019	0.02	-	-	-	-	-	0.02
Fixed Deposit	2020	1,937.79	-	-	-	-	-	1,937.79
	2019	1,826.53	-	-	-	-	-	1,826.53
Trade payables	2020	1.05	-	-	-	-	-	1.05
	2019	0.99	-	-	-	-	-	0.99
Capital Contribution from Parent	2020	101.49	-	-	-	-	-	101.49
	2019	70.24	-	-	-	-	-	70.24

iii. Terms and conditions of transactions with related parties

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

Schedules

Forming part of Balance Sheet and Profit and Loss Account

NOTE 27 LEASE DISCLOSURES

Operating Lease as Lessee:

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

Amounts recognised in profit or loss

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	Lease expense	42.43	42.47
	Total	**42.43**	**42.47**

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 contributions towards provident fund. The Company recognised ₹ 18.23 lakhs (previous year ₹ 16.57 lakhs) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

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

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

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of unfunded defined benefit obligation (A)	35.63	32.02
Fair value of plan assets (B)	-	-
Net (asset) / liability recognised in the Balance Sheet (A-B)	35.63	32.02

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Forming part of Balance Sheet and Profit and Loss Account

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

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

(Amount in lakhs)

Particulars	Net defined benefit (asset) / liability	
	As at March 31, 2020	As at March 31, 2019
Opening balance	**32.02**	**22.80**
Included in profit or loss		
Current service cost	4.41	2.91
Past service cost	-	-
Interest cost	2.08	1.64
	38.51	**27.35**
Included in OCI		
Remeasurement loss/ (gain):		
Actuarial loss/ (gain) arising from:		
Demographic assumptions	-	(0.02)
Financial assumptions	0.32	1.44
Experience adjustment	(1.24)	2.05
Actual return on plan assets less interest on plan assets		
	(0.92)	**3.47**
Other		
Contributions paid by the employer		
Benefits paid	(1.96)	(0.27)
Liability assumed on acquisition	-	1.47
Closing balance	**35.63**	**32.02**
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	35.63	32.02

C. 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 31, 2020	As at March 31, 2019
Discount rate	6.40%	7.15%
Salary escalation rate	0.00% until year 1 inclusive, then 7.00% p.a.	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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

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Forming part of Balance Sheet and Profit and Loss Account

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.

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	(1.14)	1.22	(0.97)	1.03
Future salary growth (50 bps movement)	0.52	(0.56)	0.48	(0.51)

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

iii. Risk Exposure

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

D. Expected Future Cash Flows

Expected contribution:

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

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

Expected future benefit payments:

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

Maturity profile	(Amount in lakhs)
Expected benefits for Year 1	6.24
Expected benefits for Year 2	5.52
Expected benefits for Year 3	4.86
Expected benefits for Year 4	3.33
Expected benefits for Year 5	2.80
Expected benefits for Year 6	2.61
Expected benefits for Year 7	2.17
Expected benefits for Year 8	2.07
Expected benefits for Year 9	1.97
Expected benefits for Year 10 and above	28.46

E. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized ₹ 7.49 lakhs (Previous year : ₹ 6.59 lakhs) for Compensated Absences in the Statement of Profit and Loss.

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

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total actuarial liability	12.35	19.83
Assumptions :		
Discount rate	6.40%	7.15%
Salary escalation rate	0.00% until year 1 inclusive, then 7.00% p.a.	7.00%

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Forming part of Balance Sheet and Profit and Loss Account

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

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

As at March 31, 2020

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOPSCHEME2015SR05	10-Aug-16	Equity	2,000	15-Aug-20	4.39
ESOPSCHEME2015SR07	15-May-17	Equity	1,560	30-Jun-20	3.63
ESOPSCHEME2015SR07	15-May-17	Equity	1,560	31-Dec-20	4.13
ESOPSCHEME2015SR08	15-May-17	Equity	4,785	30-Sep-20	3.88
ESOPSCHEME2015SR14	18-May-18	Equity	3,516	31-Oct-20	2.95
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	30-Jun-21	3.62
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	31-Dec-21	4.12
ESOPSCHEME2015SR19	20-May-19	Equity	651	31-Jul-20	1.70
ESOPSCHEME2015SR19	20-May-19	Equity	651	31-Oct-21	2.95
ESOPSCHEME2015SR19	20-May-19	Equity	434	30-Jun-22	3.62
ESOPSCHEME2015SR19	20-May-19	Equity	434	31-Dec-22	4.12
			20,279		

As at March 31, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
KMEOS2007SR47	9-May-15	Equity	716	31-Dec-18	4.15
ESOPSCHEME2015SR02	19-May-16	Equity	1,106	30-Jun-19	3.62
ESOPSCHEME2015SR02	19-May-16	Equity	1,106	30-Nov-19	4.04
ESOPSCHEME2015SR05	10-Aug-16	Equity	2,000	15-Aug-19	3.52
ESOPSCHEME2015SR05	10-Aug-16	Equity	2,000	15-Aug-20	4.52
ESOPSCHEME2015SR07	15-May-17	Equity	2,340	31-Oct-19	2.96
ESOPSCHEME2015SR07	15-May-17	Equity	1,560	30-Jun-20	3.63
ESOPSCHEME2015SR07	15-May-17	Equity	1,560	31-Dec-20	4.13
ESOPSCHEME2015SR08	15-May-17	Equity	4,785	30-Sep-19	2.88
ESOPSCHEME2015SR08	15-May-17	Equity	4,785	30-Sep-20	3.88
ESOPSCHEME2015SR14	18-May-18	Equity	3,516	31-Jul-19	1.71
ESOPSCHEME2015SR14	18-May-18	Equity	3,516	31-Oct-20	2.95
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	30-Jun-21	3.62
ESOPSCHEME2015SR14	18-May-18	Equity	2,344	31-Dec-21	4.12
			33,678		

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Forming part of Balance Sheet and Profit and Loss Account

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 March 31, 2020

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
KMEOS2007SR47	9-May-15	3.65	4.15	3.90	665.00	665.00	8.01%	0.07%	29.29%	473.14
ESOPSCHEME2015SR02	19-May-16	3.12	3.62	3.37	710.00	708.90	7.43%	0.07%	27.96%	218.71
ESOPSCHEME2015SR02	19-May-16	3.53	4.03	3.70	710.00	708.90	7.46%	0.07%	27.35%	229.80
ESOPSCHEME2015SR05	10-Aug-16	3.01	3.52	3.20	765.00	764.75	7.04%	0.07%	28.05%	225.33
ESOPSCHEME2015SR05	10-Aug-16	4.02	4.52	4.21	765.00	764.75	7.13%	0.07%	26.75%	261.42
ESOPSCHEME2015SR07	15-May-17	2.46	2.96	2.71	955.00	954.65	6.77%	0.06%	35.44%	289.06
ESOPSCHEME2015SR07	15-May-17	3.13	3.63	3.38	955.00	954.65	6.88%	0.06%	33.81%	320.11
ESOPSCHEME2015SR07	15-May-17	3.63	4.13	3.88	955.00	954.65	6.95%	0.06%	34.20%	349.84
ESOPSCHEME2015SR08	15-May-17	2.38	2.88	2.63	955.00	954.65	6.76%	0.06%	35.84%	285.89
ESOPSCHEME2015SR08	15-May-17	3.38	3.88	3.63	955.00	954.65	6.92%	0.06%	33.27%	331.03
ESOPSCHEME2015SR14	18-May-18	1.20	1.71	1.45	1271.00	1270.70	7.44%	0.06%	18.68%	184.60
ESOPSCHEME2015SR14	18-May-18	2.46	2.95	2.71	1271.00	1270.70	7.83%	0.06%	32.95%	383.29
ESOPSCHEME2015SR14	18-May-18	3.12	3.62	3.37	1271.00	1270.70	7.97%	0.06%	32.13%	433.45
ESOPSCHEME2015SR14	18-May-18	3.62	4.12	3.87	1271.00	1270.70	7.99%	0.06%	31.43%	465.70
ESOPSCHEME2015SR19	20-May-19	1.20	1.70	1.45	1460.00	1460.00	6.63%	0.05%	23.24%	230.35
ESOPSCHEME2015SR19	20-May-19	2.45	2.95	2.70	1460.00	1460.00	6.83%	0.05%	21.16%	330.89
ESOPSCHEME2015SR19	20-May-19	3.12	3.62	3.37	1460.00	1460.00	6.94%	0.05%	21.32%	387.19
ESOPSCHEME2015SR19	20-May-19	3.62	4.12	3.87	1460.00	1460.00	7.03%	0.05%	31.00%	508.28

As at March 31, 2019

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
KMEOS2007SR47	9-May-15	3.65	4.15	3.90	665.00	665.00	8.01%	0.07%	29.29%	473.14
ESOPSCHEME2015SR02	19-May-16	3.12	3.62	3.37	710.00	708.90	7.43%	0.07%	27.96%	218.71
ESOPSCHEME2015SR02	19-May-16	3.53	4.03	3.70	710.00	708.90	7.46%	0.07%	27.35%	229.80
ESOPSCHEME2015SR05	10-Aug-16	3.01	3.52	3.20	765.00	764.75	7.04%	0.07%	28.05%	225.33
ESOPSCHEME2015SR05	10-Aug-16	4.02	4.52	4.21	765.00	764.75	7.13%	0.07%	26.75%	261.42
ESOPSCHEME2015SR07	15-May-17	2.46	2.96	2.71	955.00	954.65	6.77%	0.06%	35.44%	289.06
ESOPSCHEME2015SR07	15-May-17	3.13	3.63	3.38	955.00	954.65	6.88%	0.06%	33.81%	320.11
ESOPSCHEME2015SR07	15-May-17	3.63	4.13	3.88	955.00	954.65	6.95%	0.06%	34.20%	349.84
ESOPSCHEME2015SR08	15-May-17	2.38	2.88	2.63	955.00	954.65	6.76%	0.06%	35.84%	285.89
ESOPSCHEME2015SR08	15-May-17	3.38	3.88	3.63	955.00	954.65	6.92%	0.06%	33.27%	331.03
ESOPSCHEME2015SR14	18-May-18	1.20	1.71	1.45	1271.00	1270.70	7.44%	0.06%	18.68%	184.60
ESOPSCHEME2015SR14	18-May-18	2.46	2.95	2.71	1271.00	1270.70	7.83%	0.06%	32.95%	383.29
ESOPSCHEME2015SR14	18-May-18	3.12	3.62	3.37	1271.00	1270.70	7.97%	0.06%	32.13%	433.45
ESOPSCHEME2015SR14	18-May-18	3.62	4.12	3.87	1271.00	1270.70	7.99%	0.06%	31.43%	465.70

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

SCHEME	GRANT DATE	MARCH 31, 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
KMEOS2007SR47	9-May-15	716	-	(716)	-	-	-	-	-
ESOPSCHEME2015SR02	19-May-16	2,212	-	(2,212)	-	-	-	-	-
ESOPSCHEME2015SR05	10-Aug-16	4,000	-	(2,000)	-	-	-	2,000	-
ESOPSCHEME2015SR07	15-May-17	5,460	-	(2,340)	-	-	-	3,120	-
ESOPSCHEME2015SR08	15-May-17	9,570	-	(4,785)	-	-	-	4,785	-
ESOPSCHEME2015SR14	18-May-18	11,720	-	(3,516)	-	-	-	8,204	-
ESOPSCHEME2015SR19	20-May-19	-	2,170	-	-	-	-	2,170	-
		33,678	**2,170**	**(15,569)**	**-**	**-**	**-**	**20,279**	**-**

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SCHEME	GRANT DATE	MARCH 31, 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
KMEOS2007SR47	9-May-15	1,432	-	(716)	-	-	-	716	716
ESOPSCHEME2015SR02	19-May-16	3,871	-	(1,659)	-	-	-	2,212	-
ESOPSCHEME2015SR05	10-Aug-16	4,000	-	-	-	-	-	4,000	-
ESOPSCHEME2015SR07	15-May-17	7,800	-	(2,340)	-	-	-	5,460	-
ESOPSCHEME2015SR08	15-May-17	9,570	-	-	-	-	-	9,570	-
ESOPSCHEME2015SR14	18-May-18	-	11,720	-	-	-	-	11,720	-
		26,673	**11,720**	**(4,715)**	**-**	**-**	**-**	**33,678**	**716**

The weighted average share price at the date of exercise for stock options exercised during the year was Rs. 1,610.04 (Previous year: Rs. 1,205.17).

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

ESOP SCHEME	RANGE OF EXERCISE PRICES (RS.)	MARCH 31, 2020			MARCH 31, 2019		
		NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE OF OPTIONS (IN YEARS)	WEIGHTED AVERAGE EXERCISE PRICE (RS.)	NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE OF OPTIONS (IN YEARS)	WEIGHTED AVERAGE EXERCISE PRICE (RS.)
KMEOS2007SR47	601-700	-	-	-	716	0.25	665.00
ESOPSCHEME2015SR02	701-800	-	-	-	2,212	0.88	710.00
ESOPSCHEME2015SR05	701-800	2,000	0.75	765.00	4,000	1.25	765.00
ESOPSCHEME2015SR07	901-1000	3,120	1.00	955.00	5,460	1.61	955.00
ESOPSCHEME2015SR08	901-1000	4,785	1.00	955.00	9,570	1.50	955.00
ESOPSCHEME2015SR14	1201-1300	8,204	1.61	1271.00	11,720	2.08	1271.00
ESOPSCHEME2015SR19	1401-1500	2,170	2.08	1460.00	-	-	-
		20,279			**33,678**		

ii. Stock Appreciation Rights (cash-settled)

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 960 SARs during FY 2019- 20. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.2 years to 3.67 years

As at March 31, 2020

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Scheme 2015 - Series 09 V3-1	15/May/17	Cash	112	30/Jun/20	3.13
Scheme 2015 - Series 09 V3-2	15/May/17	Cash	112	7/Jul/20	3.15
Scheme 2015 - Series 09 V3-3	15/May/17	Cash	112	14/Jul/20	3.17
Scheme 2015 - Series 09 V4-1	15/May/17	Cash	112	31/Dec/20	3.63
Scheme 2015 - Series 09 V4-2	15/May/17	Cash	112	7/Jan/21	3.65
Scheme 2015 - Series 09 V4-3	15/May/17	Cash	112	14/Jan/21	3.67
Scheme 2015 - Series 17 V2-1	18/May/18	Cash	321	31/Oct/20	2.46
Scheme 2015 - Series 17 V2-2	18/May/18	Cash	321	7/Nov/20	2.48
Scheme 2015 - Series 17 V2-3	18/May/18	Cash	321	14/Nov/20	2.50
Scheme 2015 - Series 17 V3-1	18/May/18	Cash	213	30/Jun/21	3.12
Scheme 2015 - Series 17 V3-2	18/May/18	Cash	213	7/Jul/21	3.14
Scheme 2015 - Series 17 V3-3	18/May/18	Cash	216	14/Jul/21	3.16
Scheme 2015 - Series 17 V4-1	18/May/18	Cash	213	30/Dec/21	3.62
Scheme 2015 - Series 17 V4-2	18/May/18	Cash	213	7/Jan/22	3.64
Scheme 2015 - Series 17 V4-3	18/May/18	Cash	216	14/Jan/22	3.66
Scheme 2015 - Series 22 V1-1	20/May/19	Cash	96	31/Jul/20	1.20
Scheme 2015 - Series 22 V1-2	20/May/19	Cash	96	7/Aug/20	1.22
Scheme 2015 - Series 22 V1-3	20/May/19	Cash	96	14/Aug/20	1.24
Scheme 2015 - Series 22 V2-1	20/May/19	Cash	96	31/Oct/21	2.45
Scheme 2015 - Series 22 V2-2	20/May/19	Cash	96	7/Nov/21	2.47
Scheme 2015 - Series 22 V2-3	20/May/19	Cash	96	14/Nov/21	2.49
Scheme 2015 - Series 22 V3-1	20/May/19	Cash	64	30/Jun/22	3.12
Scheme 2015 - Series 22 V3-2	20/May/19	Cash	64	7/Jul/22	3.13
Scheme 2015 - Series 22 V3-3	20/May/19	Cash	64	14/Jul/22	3.15
Scheme 2015 - Series 22 V4-1	20/May/19	Cash	64	31/Dec/22	3.62
Scheme 2015 - Series 22 V4-2	20/May/19	Cash	64	7/Jan/23	3.64
Scheme 2015 - Series 22 V4-3	20/May/19	Cash	64	14/Jan/23	3.66
			3,879		

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As at March 31, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
Series 2015/04 V7	19/May/16	Cash	98	6/30/2019	3.12
Series 2015/04 V8	19/May/16	Cash	98	7/7/2019	3.13
Series 2015/04 V9	19/May/16	Cash	100	7/14/2019	3.15
Series 2015/04 V10	19/May/16	Cash	98	11/30/2019	3.53
Series 2015/04 V11	19/May/16	Cash	98	12/7/2019	3.55
Series 2015/04 V12	19/May/16	Cash	100	12/14/2019	3.57
Scheme 2015 - Series 09 V2-1	15/May/17	Cash	168	10/31/2019	2.46
Scheme 2015 - Series 09 V2-2	15/May/17	Cash	168	11/7/2019	2.48
Scheme 2015 - Series 09 V2-3	15/May/17	Cash	168	11/14/2019	2.50
Scheme 2015 - Series 09 V3-1	15/May/17	Cash	112	6/30/2020	3.13
Scheme 2015 - Series 09 V3-2	15/May/17	Cash	112	7/7/2020	3.15
Scheme 2015 - Series 09 V3-3	15/May/17	Cash	112	7/14/2020	3.17
Scheme 2015 - Series 09 V4-1	15/May/17	Cash	112	12/31/2020	3.63
Scheme 2015 - Series 09 V4-2	15/May/17	Cash	112	1/7/2021	3.65
Scheme 2015 - Series 09 V4-3	15/May/17	Cash	112	1/14/2021	3.67
Scheme 2015 - Series 17 V1-1	18/May/18	Cash	321	7/31/2019	1.20
Scheme 2015 - Series 17 V1-2	18/May/18	Cash	321	8/7/2019	1.22
Scheme 2015 - Series 17 V1-3	18/May/18	Cash	321	8/14/2019	1.24
Scheme 2015 - Series 17 V2-1	18/May/18	Cash	321	10/31/2020	2.46
Scheme 2015 - Series 17 V2-2	18/May/18	Cash	321	11/7/2020	2.48
Scheme 2015 - Series 17 V2-3	18/May/18	Cash	321	11/14/2020	2.50
Scheme 2015 - Series 17 V3-1	18/May/18	Cash	213	6/30/2021	3.12
Scheme 2015 - Series 17 V3-2	18/May/18	Cash	213	7/7/2021	3.14
Scheme 2015 - Series 17 V3-3	18/May/18	Cash	216	7/14/2021	3.16
Scheme 2015 - Series 17 V4-1	18/May/18	Cash	213	12/30/2021	3.62
Scheme 2015 - Series 17 V4-2	18/May/18	Cash	213	1/7/2022	3.64
Scheme 2015 - Series 17 V4-3	18/May/18	Cash	216	1/14/2022	3.66
			4,978		

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

As at March 31, 2020

Scheme	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (INR)
Scheme 2015 - Series 09 V3-1	15/May/17	0.25	0.06%	58.10%	4.31%	1,293.50
Scheme 2015 - Series 09 V3-2	15/May/17	0.27	0.06%	56.44%	4.33%	1,293.48
Scheme 2015 - Series 09 V3-3	15/May/17	0.29	0.06%	54.68%	4.35%	1,293.47
Scheme 2015 - Series 09 V4-1	15/May/17	0.75	0.06%	39.55%	4.71%	1,293.10
Scheme 2015 - Series 09 V4-2	15/May/17	0.77	0.06%	39.08%	4.73%	1,293.08
Scheme 2015 - Series 09 V4-3	15/May/17	0.79	0.06%	38.78%	4.74%	1,293.07
Scheme 2015 - Series 17 V2-1	18/May/18	0.59	0.06%	42.98%	4.59%	1,293.23
Scheme 2015 - Series 17 V2-2	18/May/18	0.61	0.06%	42.52%	4.60%	1,293.21
Scheme 2015 - Series 17 V2-3	18/May/18	0.62	0.06%	41.98%	4.62%	1,293.20
Scheme 2015 - Series 17 V3-1	18/May/18	1.25	0.06%	32.93%	5.01%	1,292.70
Scheme 2015 - Series 17 V3-2	18/May/18	1.27	0.06%	32.74%	5.02%	1,292.68
Scheme 2015 - Series 17 V3-3	18/May/18	1.29	0.06%	32.62%	5.03%	1,292.67
Scheme 2015 - Series 17 V4-1	18/May/18	1.75	0.06%	31.96%	5.18%	1,292.30
Scheme 2015 - Series 17 V4-2	18/May/18	1.77	0.06%	31.76%	5.18%	1,292.28
Scheme 2015 - Series 17 V4-3	18/May/18	1.79	0.06%	31.65%	5.18%	1,292.27
Scheme 2015 - Series 22 V1-1	20/May/19	0.33	0.06%	51.43%	4.38%	1,293.43
Scheme 2015 - Series 22 V1-2	20/May/19	0.35	0.06%	50.22%	4.40%	1,293.42
Scheme 2015 - Series 22 V1-3	20/May/19	0.37	0.06%	49.01%	4.42%	1,293.40
Scheme 2015 - Series 22 V2-1	20/May/19	1.59	0.06%	32.93%	5.13%	1,292.43
Scheme 2015 - Series 22 V2-2	20/May/19	1.61	0.06%	32.81%	5.14%	1,292.42
Scheme 2015 - Series 22 V2-3	20/May/19	1.62	0.06%	32.82%	5.14%	1,292.40
Scheme 2015 - Series 22 V3-1	20/May/19	2.25	0.06%	29.75%	5.27%	1,291.90
Scheme 2015 - Series 22 V3-2	20/May/19	2.27	0.06%	29.65%	5.27%	1,291.89
Scheme 2015 - Series 22 V3-3	20/May/19	2.29	0.06%	29.53%	5.28%	1,291.87
Scheme 2015 - Series 22 V4-1	20/May/19	2.75	0.06%	27.87%	5.39%	1,291.50
Scheme 2015 - Series 22 V4-2	20/May/19	2.77	0.06%	27.81%	5.40%	1,291.48
Scheme 2015 - Series 22 V4-3	20/May/19	2.79	0.06%	27.74%	5.40%	1,291.47

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Forming part of Balance Sheet and Profit and Loss Account

As at March 31, 2019

Scheme	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (INR)
Series 2015/04 V7	19/May/16	0.25	0.05%	20.12%	6.25%	1,334.32
Series 2015/04 V8	19/May/16	0.27	0.05%	19.74%	6.26%	1,334.31
Series 2015/04 V9	19/May/16	0.29	0.05%	20.04%	6.27%	1,334.30
Series 2015/04 V10	19/May/16	0.67	0.05%	27.53%	6.42%	1,334.03
Series 2015/04 V11	19/May/16	0.69	0.05%	27.22%	6.43%	1,334.02
Series 2015/04 V12	19/May/16	0.71	0.05%	27.23%	6.44%	1,334.00
Scheme 2015 - Series 09 V2-1	15/May/17	0.59	0.05%	28.06%	6.39%	1,334.09
Scheme 2015 - Series 09 V2-2	15/May/17	0.61	0.05%	27.79%	6.40%	1,334.08
Scheme 2015 - Series 09 V2-3	15/May/17	0.62	0.05%	27.91%	6.41%	1,334.06
Scheme 2015 - Series 09 V3-1	15/May/17	1.25	0.05%	24.16%	6.58%	1,333.62
Scheme 2015 - Series 09 V3-2	15/May/17	1.27	0.05%	24.03%	6.59%	1,333.61
Scheme 2015 - Series 09 V3-3	15/May/17	1.29	0.05%	23.89%	6.59%	1,333.60
Scheme 2015 - Series 09 V4-1	15/May/17	1.76	0.05%	22.45%	6.64%	1,333.27
Scheme 2015 - Series 09 V4-2	15/May/17	1.78	0.05%	22.36%	6.65%	1,333.26
Scheme 2015 - Series 09 V4-3	15/May/17	1.79	0.05%	22.31%	6.65%	1,333.24
Scheme 2015 - Series 17 V1-1	18/May/18	0.33	0.05%	27.91%	6.29%	1,334.27
Scheme 2015 - Series 17 V1-2	18/May/18	0.35	0.05%	27.33%	6.30%	1,334.25
Scheme 2015 - Series 17 V1-3	18/May/18	0.37	0.05%	27.53%	6.31%	1,334.24
Scheme 2015 - Series 17 V2-1	18/May/18	1.59	0.05%	23.04%	6.63%	1,333.39
Scheme 2015 - Series 17 V2-2	18/May/18	1.61	0.05%	22.98%	6.63%	1,333.37
Scheme 2015 - Series 17 V2-3	18/May/18	1.63	0.05%	22.94%	6.63%	1,333.36
Scheme 2015 - Series 17 V3-1	18/May/18	2.25	0.05%	21.63%	6.68%	1,332.92
Scheme 2015 - Series 17 V3-2	18/May/18	2.27	0.05%	21.55%	6.69%	1,332.91
Scheme 2015 - Series 17 V3-3	18/May/18	2.29	0.05%	21.47%	6.69%	1,332.90
Scheme 2015 - Series 17 V4-1	18/May/18	2.75	0.05%	21.08%	6.74%	1,332.57
Scheme 2015 - Series 17 V4-2	18/May/18	2.78	0.05%	21.06%	6.74%	1,332.56
Scheme 2015 - Series 17 V4-3	18/May/18	2.79	0.05%	21.03%	6.74%	1,332.54

The following table lists the average inputs to the models used for the plans for the year ended March 31, 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	MARCH 31, 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
2015-4 (Series 4)	19-May-16	592	-	(592)	-	-	-	-
2015-9 (Series 9)	15-May-17	1,176	-	(504)	-	-	-	672
2015-17 (Series 17)	18-May-18	3,210	-	(963)	-	-	-	2,247
2015-22 (Series 22)	20-May-19	-	960	-	-	-	-	960
		4,978	**960**	**(2,059)**	**-**	**-**	**-**	**3,879**

SCHEME	GRANT DATE	MARCH 31, 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
2015-4 (Series 4)	9-May-15	424.00	-	(424.00)	-	-	-	-
2015-4 (Series 4)	19-May-16	1,036.00	-	(444.00)	-	-	-	592
2015-9 (Series 9)	15-May-17	1,680.00	-	(504.00)	-	-	-	1,176
2015-17 (Series 17)	18-May-18	-	3,210.00	-	-	-	-	3,210
		3,140	**3,210**	**(1,372)**	**-**	**-**	**-**	**4,978**

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

Statement of profit and loss (Rs. in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee Stock Option Plan	31.24	37.48
Stock Appreciation Rights	28.09	33.92
Total employee share-based payment expenses	**59.33**	**71.40**

Balance sheet (Rs. in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution from parent	101.48	70.24
SARs Liability	31.26	34.93
Intrinsic value of liability	31.28	34.95

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 30 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilities:

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

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
FINANCIAL ASSETS				
Non-current assets				
(i) Long term loans	-	0.10	-	0.10
Current assets				
(i) Trade receivables	-	202.19	-	175.85
(ii) Cash and cash equivalents	-	44.30	-	0.02
(iii) Bank balance other than (ii) above	-	1,937.79	-	1,826.53
Total financial assets	**-**	**2,184.38**	**-**	**2,002.50**
Financial liabilities				
Current liabilities				
(i) Trade payables		30.77		33.57
(ii) Other current financial liabilities	-	-	-	25.00
Total financial liabilities	**-**	**30.77**	**-**	**58.57**

B. Fair value

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

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS				
Non-current assets				
(i) Long term loans	0.10	0.10	0.10	0.10
Current assets				
(i) Trade receivables	202.19	202.19	175.85	175.85
(ii) Cash and cash equivalents	44.30	44.30	0.02	0.02
(iii) Bank balance other than (ii) above	1,937.79	1,937.79	1,826.53	1,826.53
Total financial assets	**2,184.38**	**2,184.38**	**2,002.50**	**2,002.50**
Financial liabilities				
Current liabilities				
(i) Trade payables	30.77	30.77	33.57	33.57
(ii) Other current financial liabilities	-	-	25.00	25.00
Total financial liabilities	**30.77**	**30.77**	**58.57**	**58.57**

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Forming part of Balance Sheet and Profit and Loss Account

C. Measurement of fair values

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

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

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

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

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include trade receivables, cash and cash equivalents, bank balance, trade payables, employee related payables which are considered as financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values. The fair value of security deposit approximate to the carrying value since deposit is receivable on demand.

Valuation techniques used to determine fair value

Investment in Mutual Fund

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

D. Financial risk management

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

- Credit risk ; and
- Liquidity risk

i. Risk management framework

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

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from balances with banks, loans and advances as well as credit exposure to customers, including outstanding receivables.

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

(Amount in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Trade receivables	206.68	178.88
Loans	0.10	0.10
Bank balances	1,983.34	1,827.16
Total	**2,190.12**	**2,006.14**

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Forming part of Balance Sheet and Profit and Loss Account

a. 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	Lifetime ECL (simplified approach)	
	As at March 31, 2020	As at March 31, 2019
Trade receivables		
0-30 days	194.00	169.82
Past due 31–90 days	7.28	1.08
Past due 90 days	5.40	7.98
	206.68	178.88
Less: Impairment loss allowance	(4.49)	(3.03)
Carrying amount	**202.19**	**175.85**

Particulars	As at March 31, 2020			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	**-**	**-**	**0.10**
Impairment loss allowance	-	-	-	-
Carrying amount	**0.10**	**-**	**-**	**0.10**
Bank Balance				
Past due 1–30 days	1,983.34	-	-	1,983.34
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	1,983.34	**-**	**-**	**1,983.34**
Impairment loss allowance	(1.25)	-	-	(1.25)
Carrying amount	**1,982.09**	**-**	**-**	**1,982.09**

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Forming part of Balance Sheet and Profit and Loss Account

Particulars	As at March 31, 2019			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	**-**	**-**	**0.10**
Impairment loss allowance	-	-	-	-
Carrying amount	**0.10**	**-**	**-**	**0.10**
Bank Balance				
Past due 1–30 days	1,827.16	-	-	1,827.16
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	1,827.16	**-**	**-**	**1,827.16**
Impairment loss allowance	(0.61)	-	-	(0.61)
Carrying amount	**1,826.55**	**-**	**-**	**1,826.55**

b. Amounts arising from ECL

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

Inputs considered in the ECL model:

The Company has used simplified approach to provide expected credit loss on trade receivables and contract assets as prescribed by Ind AS 109 which permits use of lifetime expected credit loss. The Company has historic credit loss data to compute ECL. The Company uses days past due information and forecasts the information to assess deterioration in credit quality of a financial asset.

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

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

Assumption considered in the ECL model:

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

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

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

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Forming part of Balance Sheet and Profit and Loss Account

Forward looking information:

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

ii. Impairment loss allowance

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

(Amount in lakhs)

Particulars	Past due 1–30 days	Past due 31–90 days	Past due more than 90 days
Trade receivables			
Balance as at April 01, 2018	**1.13**	**0.01**	**0.17**
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	2.37	0.05	0.61
Financial assets that have been derecognised during the period	(1.13)	(0.01)	(0.17)
Balance as at March 31, 2019	**2.37**	**0.05**	**0.61**
Net remeasurement of loss allowance	-	-	7.37
New financial assets originated during the year	3.70	0.41	12.67
Write-off during the year	-	-	(20.27)
Financial assets that have been derecognised during the period	(2.37)	(0.05)	-
Balance as at March 31, 2020	**3.70**	**0.41**	**0.38**

(Amount in lakhs)

Particulars	Bank Balances
Balance as at April 01, 2018	-
Net remeasurement of loss allowance	0.61
Balance as at March 31, 2019	**0.61**
Net remeasurement of loss allowance	0.64
Balance as at March 31, 2020	**1.25**

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Forming part of Balance Sheet and Profit and Loss Account

iii. Liquidity Risk

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

Maturity Profile of Financial Liabilities

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

(Amount in lakhs)

Sr. No.	Particulars	Carrying amount	Total	Upto 1 month	1-3 months
	As at March 31, 2020				
	Financial Liabilities				
(i)	Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	30.77	(30.77)	(5.44)	(25.33)
(ii)	Other current financial liabilities	-	-	-	-
	Carrying Amount	**30.77**	**(30.77)**	**(5.44)**	**(25.33)**

(Amount in lakhs)

Sr. No.	Particulars	Carrying amount	Total	Upto 1 month	1-3 months
	As at March 31, 2019				
	Financial Liabilities				
(i)	Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	33.57	(33.57)	(0.47)	(33.10)
(ii)	Other current financial liabilities	25.00	(25.00)	-	(25.00)
	Carrying Amount	**58.57**	**(58.57)**	**(0.47)**	**(58.10)**

NOTE 31 CAPITAL DISCLOSURE

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company monitors its capital on a regular basis. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

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Forming part of Balance Sheet and Profit and Loss Account

NOTE 32 SEGMENT INFORMATION

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

For management purposes, the company is organised into one business unit and has single segment namely "providing trusteeship services to venture capital funds, private equity funds and other private trusts including estate planning trusts".

The Board of Directors are the Chief Operating Decision Maker ("CODM") of the company and evaluates the Company's performance. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement. The Company caters only to the domestic market where there are no differing risks and returns and hence, there are no reportable geographical segments.

NOTE 33 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers	806.00	671.36
Other Income	111.11	117.75
Total Revenue	**917.11**	**789.11**
Impairment loss on receivables	21.73	1.62

b) Disaggregation of revenue from contracts with customers

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

(Amount in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Primary Geographical Market		
India	806.00	671.36
Total	**806.00**	**671.36**
Major products/service lines		
Trusteeship Fees	806.00	671.36
Total	**806.00**	**671.36**
Timing of revenue recognition		
At a point in time	292.73	230.11
Over a period of time	513.27	441.25
Total	**806.00**	**671.36**

Schedules

Forming part of Balance Sheet and Profit and Loss Account

c) Contract Balances

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

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables	202.19	175.85
Contracts liabilities	0.97	2.03

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

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

(Amount in lakhs)

Particulars	Contract liabilities	
	As at March 31, 2020	As at March 31, 2019
At the beginning of the reporting period	2.03	3.03
Revenue recognised that was included in the contract liability balance at the beginning of the period	(1.06)	(1.00)
At the end of the reporting period	0.97	2.03

d) Transaction price allocated to the remaining performance obligation

As of March 31, 2020, the amount of transaction price allocated to remaining performance obligation are as follows. The Company will recognise the revenue as and when services are rendered.

(Rs. in lakhs)

Particulars	March 31, 2021	March 31, 2022
Contract Liability	0.97	-

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

Ketan Vora
Partner

Mumbai
Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandrashekhar Sathe
Director
DIN: 00017605

Chetan Desai
Director
DIN: 03506544