Annual Report 2023-24

Kotak Mahindra Trusteeship Services Limited

Transforming
for scale

Contents

Directors' Report....4
Independent Auditor's Report....9
Balance Sheet....16
Statement of Profit And Loss....17
Statement of Cash Flows....18
Statement of Changes in Equity....19
Notes to the Financial Statements....20

Directors' Report

To the Members
KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED

The Directors present their Twenty Fourth Annual Report together with the Audited accounts of your Company for the financial year **("FY")** ended 31st March, 2024.

FINANCIAL SUMMARY/ HIGHLIGHTS

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

The highlights of the Financial Results of the Company as prepared under Ind AS for the financial year ended 31st March, 2024 and 31st March, 2023 respectively, are as under:

(₹ In Lakh)

Particulars	Standalone	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Gross Income	1,834.97	1,478.76
Profit before tax	651.17	428.74
Tax Expense	150.43	108.06
Profit after tax	500.74	320.68
Total Comprehensive Income	500.28	320.25
Balance of Profit from previous years	2,365.71	2,045.47
Amount available for appropriation	2,865.98	2,365.71

STATE OF AFFAIRS OF THE COMPANY:

The brief on operations and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms part of this report.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31st March, 2024.

ANY REVISION IN FINANCIAL STATEMENTS / DIRECTOR'S REPORT

There was no change in the financial statements / Director's report for the FY 2022-23.

REPORT ON THE PERFORMANCE OF SUBSIDIARY AND ASSOCIATE

The Company neither has a subsidiary nor any associate or joint venture Company or LLPs as at 31st March, 2024.

CHANGES IN CAPITAL AND DEBT STRUCTURE

The paid up Equity Share Capital as on 31st March, 2024 is ₹ 8,96,190. During the year under review, the Company has not issued any shares.

During the year under review, Company has not borrowed money as per the provisions of Companies Act, 2013.

1. MANAGEMENT DISCUSSION AND ANALYSIS:

OPERATIONS

• ESTATE PLANING BUSINESS

The Estate Planning business of the Company is primarily engaged in rendering trusteeship services to private trusts set up for the clients. During the last year, the Estate Planning business achieved a topline growth of ~20.8%. Business outperformance has been due to increase in client meetings and focus on increasing the client base with help of references. This is on account of increased focus to work with client referrals and connect through external consultants. This business segment continues to witness new entrants viz. wealth management outfits, CA firms, private client practice started by many law firms, offshore trustee companies targeting HNI clients in India, leading to pricing pressure and increased competition. Your Company's unique strength, interalia, being subsidiary of a RBI governed bank and experience of the team as compared to competition has enabled us to continuously grow and get important clients in this practice area. Over the last few years we have seen many families show interest in planning for their estates through trusts and wills and that interest has only grown this year. Families are recognizing the importance of having a plan in place for the succession of their assets, through a combination of wills and trusts. We continue to expect interest and traction in this business to grow over the next few years and given that your company is one of the pioneers in this field, we expect to be able to assist many families with their requirements. As on 31st March, 2024, the Company has aggregate assets under trusteeship of approximately ₹ 43,000 crore.

• **TRUSTEESHIP SERVICES FOR ALTERNATIVE INVESTMENT FUNDS**

Your Company also acts as a trustee to 16 alternative investment funds and venture capital funds across the following asset classes namely (a) Real Estate (b) Infrastructure (c) Private Equity (d) Private Credit and (e) Advisory. The investment manager of funds for which the Company acts as Trustee, has adopted comprehensive risk management process and procedures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors plays a pivotal role in overseeing the management and strategic direction of the Company. Comprising a diverse group of individuals with extensive experience in management, finance, compliance and risk management, the Board ensures that the Company operates within the regulatory framework and adheres to the highest standards of corporate governance.

During the period under review, the Board met on a quarterly basis with additional meetings convened as required by significant decisions and other business requirements. As we move forward, the Board remains committed to upholding the highest standards of governance and transparency. The Directors are dedicated to ensuring that the Company continues to deliver strong returns while managing risks effectively and upholding our commitment to responsible investing.

COMPOSITION AND CHANGES IN THE BOARD

The composition of the Board of Directors of the Company is governed by the Act and is in conformity with the same. As of the date of this report, the Board of Directors comprises a combination of five Directors viz., Mr. Tushar Mavani, Non-Executive Chairperson, Mr. Shivaji Dam, Mr. Chetan Desai, Mr. Bhargesh Ojha, Ms. Gautami Gavankar, Non-Executive Directors. The strength of the Board is accentuated by diversity in terms of the collective skill sets and experience of the Directors. The present strength of the Board reflects a judicious mix of professionalism, competence and sound knowledge, which enables the Board to provide effective leadership and oversight to the Company.

I) APPOINTMENT

Mr. Bhargesh Ojha (DIN: 02363381) was appointed as an Additional, Non-Executive Director with effect from 17th January, 2024.

Brief profile: Mr. Bhargesh Ojha has over thirty years of experience advising banks and financial institutions with cross-border financing, portfolio acquisitions, litigation, restructuring, lending and borrowing.

Ranked as Top 100 GCs by Legal500 in India, Mr. Ojha served as the Head Legal and General Counsel at Kotak Bank and subsidiaries for 17 years, wherein he handled significant transaction works for both the bank as well as non-banking financial companies in the group. Indian National Bar Association also ranked him as GC of the year in the year 2018 & 2019.

With extensive experience as both an advocate and in-house counsel, Mr. Ojha has consulted financial and non-financial institutions on risk analysis, corporate laws, BFSI regulations, legal hypothecation, car loan structure, real estate laws, and security, mortgage, and stamp duty laws.

• Ms. Gautami Gavankar was appointed as an Additional, Non-Executive Director with effect from 02nd April, 2024.

Brief profile: Ms. Gautami Gavankar is CEO, Estate Planning and Trusteeship Services at Kotak Mahindra Trusteeship Services. She also spearheads the Family Office practice at Kotak Alternate Asset Managers Ltd.

Ms. Gavankar joined the Kotak Mahindra Group in 2005 to set up the Estate Planning business at Kotak. She works with families to help them plan their estate in an efficient manner, tailored to meet each client's specific and unique needs. This includes assisting them with setting up onshore and offshore wills and trusts. She has assisted many families with multi-jurisdictional presence in countries like the United States, the United Kingdom etc and has vast experience in dealing with succession issues unique to such families.

Through Kotak's Multi Family Office proposition, Gautami engages in setting up Family Offices and other structures for various UHNI families, and which includes providing assistance with services such as offshore structuring, consolidation of assets and holding structures, immigration planning, philanthropic giving and concierge services.

Ms. Gavankar has over 23 years of experience in the fields of Estate Planning and Family Offices. Prior to joining Kotak, Ms. Gavankar worked with Kanga & Company, one of the leading and oldest law firms in India.

Ms. Gavankar has been at the forefront of the Estate Planning and Family Office landscape in India, advising some of India's most respected families. She is also a frequent speaker at forums on these subjects.

Ms. Gavankar is a qualified Solicitor, a member of Bombay Incorporated Law Society and a Law Graduate from Mumbai University.

II) RESIGNATION

Mr. Chandrashekhar Sathe resigned as the Director of the Company with effect from 27th April, 2024. Your Directors place on record their appreciation and deep gratitude for the immense contribution made by Mr. Chandrashekhar Sathe as a Director to the Company during his tenure.

III) RETIREMENT BY ROTATION

Mr. Tushar Mavani and Mr. Chetan Desai will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

IV) MEETINGS OF THE BOARD

During the financial year 2023-24, 8 (Eight) meetings of Board of Directors were held.

The details of the meetings of Board and its Committees are annexed herewith as Annexure A.

V) KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, no Key Managerial Personnel was appointed.

VI) COMMITTEES OF THE BOARD

- **Committee of Directors**

  The Committee of Directors (COD) consists of Mr. Tushar Mavani and Mr. Chetan Desai.

  During the year under review, one meeting of the COD was held.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit of your Company for the financial year ended 31st March, 2024;

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

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

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

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

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

The details of the investments are given in the note of the financial statement attached to this report [*].

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the FY 2023-24 were on arm's length basis and were in the ordinary course of business.

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

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

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has laid down a set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

REPORTING OF FRAUDS BY AUDITORS

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

DEPOSITS

The Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013 and rules made thereunder and, as such, no amount of principal or interest was outstanding, as on the date of Balance Sheet.

COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

AUDITORS

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

AUDITOR'S REPORT:

The Auditor's Report on Audited Financial Statements for the Financial Year ended 31st March, 2024 issued by the, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Regn. No. 117366W/W-100018) Statutory Auditors of the Company is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

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

COMPLIANCES TO SECRETARIAL STANDARDS:

The Company has complied with the provisions of Secretarial Standards i.e. Secretarial Standard-1 and Secretarial Standard-2 applicable to the Company during the FY 2023-24.

EMPLOYEES

The Company recognizes that human capital is the key to success and growth in the Company's business. As on 31st March, 2024, the Company had 19 employees.

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

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

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

During the year, there were NIL cases of complaints and none of the previous complaints are pending.

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

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

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended 31st March, 2024 has been prepared by the Company. The Annual Return of the Company can be requested via email, by writing to the Director at compliance.kial@kotak.com.

ACKNOWLEDGEMENTS

We thank our members, investors of funds for which the Company acts as trustee, Securities and Exchange Board of India and bankers for their continued support during FY 2023-24.

For and on behalf of the Board of Directors

Tushar Mavani Chairman (DIN: 00478763)	**Chetan Desai** Director (DIN: 03506544)

Place: Mumbai
Date: 10th May, 2024

ANNEXURE A

Details of Board and Committee meetings held during FY 2023-24

Dates of the Board meetings are decided in consultation with the Directors to facilitate their attendance at the meetings. The meetings and agenda items taken up during the meetings were in compliance with the Companies Act, 2013 and various other circulars issued by the Ministry of Corporate Affairs from time to time.

The Directors strive to attend all meetings. If they are unable to attend a meeting due to any unavoidable reason, they are required to seek leave of absence. Details of the number of Board & Committee meetings held and attended by the Directors during the year ended 31st March, 2024 are as under:

1. BOARD MEETINGS

Name	Board Meetings								
	25th April, 2023	19th May, 2023	19th July, 2023	17th August, 202	18th October, 2023	17th January, 2024	21st February, 2024	07th March, 2024	% of attendance
Mr. Tushar Mavani	√	√	√	√	√	√	√	√	100
Mr. Shivaji Dam	√	√	√	√	-	√	-	-	62.5
Mr. Chetan Desai	√	√	-	√	-	√	√	-	62.5
Mr. Chandrashekhar Sathe	-	√	√	√	√	√	√	√	87.5
Mr. Bhargesh Ojha	NA	NA	NA	NA	NA	√	√	√	100

2. COMMITTEE OF DIRECTORS MEETING

Name	Committee of Directors Meetings	
	28th November, 2023	% of attendance
Mr. Tushar Mavani	√	100
Mr. Chetan Desai	√	100

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 of the Balance Sheet as at 31st March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended on that date, and notes to financial statements, and a summary of material 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 ,(Indian Accounting Standards) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit, total comprehensive loss, 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act .This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's 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 with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of 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

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

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

  b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in paragraph (i)(vi) below

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

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

  e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

  f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above

  g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.

  h) 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.

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

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

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

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

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that:

In respect of a cloud-based accounting software operated by the third party service provider for maintaining its books of account, in the absence of an independent auditor's report covering the audit trail requirement, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for direct data changes at database level

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating. (refer note: 38)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFATI2297

Place: Mumbai
Date: 10th May, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Special Purpose Financial Statements ("financial statements") of Kotak Mahindra Trusteeship Services Limited for the year ended 31st March 2024)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of Kotak Mahindra Trusteeship Services Limited ("the Company") as of 31st March, 2024 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on "the criteria for internal financial control with reference to financial statements 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**
Firm's Registration No.117366W/W-100018
Chartered Accountants

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFATI2297

Place: Mumbai
Date: 10th May, 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of Kotak Mahindra Trusteeship Services Limited on the financial statements of the Company for the year ended 31st March 2024)

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

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

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

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

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

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

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

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

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

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

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

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

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending*
Goods and Services Tax Act, 2017	Cenvat Credit , RCM	7,23,942	FY 2014-15, 2015-16, 2017-18	Commissioner (Appeals-1)

company is in the process of filling appeal

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

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

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

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

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

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

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

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

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

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

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

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

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 24 and Final Internal audit reports were issued after the balance sheet date covering the period (01^{st} April, 2023 - 31^{st} March, 2024) for the period under audit.

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

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

b. As represented by the Management, the Group does not have any Core Investment Company (CIC) as part of the group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.

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

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

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

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

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

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFATI2297

Place: Mumbai
Date: 10th May, 2024

Balance Sheet

as at 31st March, 2024

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	36.77	57.09
(b) Intangible assets	5	5.34	10.35
(c) Financial assets			
(i) Other non-current financial assets	6	131.58	0.10
(d) Non current tax assets	7	14.84	3.05
(e) Deferred tax assets (net)	27	49.71	19.70
Total Non-Current Assets		**238.24**	**90.29**
Current Assets			
(a) Financial assets			
(i) Current investments	8	-	1,310.56
(ii) Trade receivables	9	444.18	448.03
(iii) Cash and cash equivalents	10	0.10	680.35
(iv) Bank balance other than (iii) above	11	3,286.29	909.73
(v) Other current financial assets	12	27.61	41.15
(b) Other current assets	13	13.70	9.02
Total Current Assets		**3,771.88**	**3,398.84**
Total Assets		**4,010.12**	**3,489.13**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	8.96	8.96
(b) Other equity	15	3,485.10	2,984.83
Total Equity		**3,494.06**	**2,993.79**
LIABILITIES			
Non-Current Liabilities			
(a) Long term provisions	16	90.77	119.62
Total Non-Current Liabilities		**90.77**	**119.62**
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
(A) total outstanding dues to micro enterprises and small enterprises		0.04	-
(B) total outstanding dues to creditors other than micro enterprises and small enterprises		71.85	98.75
(b) Short term provisions	18	140.55	116.92
(c) Current tax liabilities (net)	19	13.81	7.07
(d) Other current liabilities	20	199.04	152.98
Total Current Liabilities		**425.29**	**375.72**
Total Equity and Liabilities		**4,010.12**	**3,489.13**
Summary of material accounting policies	3		
The accompanying notes are an integral part of the financial statements			

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

For and on behalf of the Board of Directors of
Kotak Mahindra Trusteeship Services Limited

Ketan Vora
Partner
Membership No. 100459

Shivaji Dam
Director
DIN: 00032568

Gautami Gavankar
Director
DIN: 10546984

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Statement of Profit And Loss

for the year ended 31st March 2024

(₹ in lakh)

	Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	REVENUE			
I	Revenue from operations	21	1,616.86	1,337.21
II	Other income	22	218.11	141.55
III	**Total Income (I+II)**		**1,834.97**	**1,478.76**
IV	**EXPENSES**			
	Employee benefits expense	23	733.87	728.70
	Depreciation and amortization	24	27.83	27.71
	Impairment loss allowance/(reversal) on financial assets	25	10.03	(3.92)
	Other expenses	26	412.07	297.53
	Total Expenses (IV)		**1,183.80**	**1,050.03**
V	**Profit before income tax (III - IV)**		**651.17**	**428.74**
VI	**Tax Expense**			
	(1) Current tax		175.79	97.45
	(2) Current tax pertaining to prior periods	27	4.49	6.91
	(3) Deferred tax		(29.85)	3.70
	Total tax expense (1+2+3)		**150.43**	**108.06**
VII	**Profit for the year (V-VI)**		**500.74**	**320.68**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit liability		(0.62)	(0.57)
	Income tax relating to items that will not be reclassified to profit or loss		0.16	0.14
	Other comprehensive income for the year, net of tax		**(0.46)**	**(0.43)**
IX	**Total comprehensive income for the year (VII+VIII)**		**500.28**	**320.25**
X	**Earnings per equity share (₹)**			
	Basic & Diluted (Face value of ₹ 10/-)	28	558.74	357.82
Summary of material accounting policies		3		
The accompanying notes are an integral part of the financial statements				

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

For and on behalf of the Board of Directors of
Kotak Mahindra Trusteeship Services Limited

Ketan Vora
Partner
Membership No. 100459

Shivaji Dam
Director
DIN: 00032568

Gautami Gavankar
Director
DIN: 10546984

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Statement of Cash Flows

for the year ended 31st March 2024

(₹ in lakh)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		651.17	428.74
Adjustments:			
(a) Depreciation and amortization		27.83	27.71
(b) Profit on sale / adjustments of property, plant & equipment (net)		-	(2.60)
(c) Net gain on fair value changes of investments		-	(73.41)
(d) Impairment loss allowance		10.03	5.36
(e) Provision for gratuity		9.93	-
(f) Share based payments		-	0.59
(g) Interest income		(206.35)	(64.45)
(h) Bad Debts written off		29.63	-
(i) Profit on sale of investments		(11.23)	-
Operating profit before working capital changes		**511.01**	**321.94**
Working capital changes			
(a) (Decrease)/ Increase in trade payables		(26.86)	56.05
(b) (Decrease)/ increase in provisions		(15.13)	105.56
(c) Increase/ (decrease) in other current liabilities		46.06	27.92
(e) Decrease/ (Increase) in trade receivables		(32.52)	(137.55)
(f) Decrease/ (Increase) in other financial assets		10.76	(18.03)
(g) (Decrease)/ (Increase) in other current assets		(4.69)	(2.39)
Cash generated from operations		**488.63**	**353.50**
Income tax paid (net of refunds)		(185.34)	(96.72)
Net cash flows generated from operating activities	**(A)**	**303.29**	**256.78**
CASH FLOW FROM INVESTING ACTIVITIES			
(a) Bank deposits placed during the year not considered as cash & cash equivalents (net)		(2,373.70)	304.03
(b) Purchase of property, plant & equipment		(3.36)	(59.13)
(c) Proceeds from sale of property, plant & equipment		0.86	4.52
(d) (Purchase) / Sale of investments		1,321.78	-
(e) Interest received		70.88	66.04
Net cash flows (used in) /generated from investing activities	**(B)**	**(983.54)**	**315.46**
Net decrease in cash and cash equivalents	**(A+B)**	**(680.25)**	**572.24**
Cash and cash equivalents at the beginning of the year		680.35	108.11
Cash and cash equivalents at the end of the year		**0.10**	**680.35**
Reconciliation of cash and cash equivalents with the balance sheet			
Cash and cash equivalents as per balance sheet (Refer note 10)			
Balances with banks in current account		0.10	102.56
Balance in fixed deposits with original maturity less than 3 months		-	577.81
		0.10	**680.37**
Less: Impairment loss allowance		-	(0.02)
Cash and cash equivalents as restated as at the year end		**0.10**	**680.35**
The accompanying notes are an integral 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 on Statement of Cash Flows.

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

For and on behalf of the Board of Directors of
Kotak Mahindra Trusteeship Services Limited

Ketan Vora
Partner
Membership No. 100459

Mumbai
Dated: 10th May, 2024

Shivaji Dam
Director
DIN: 00032568

Mumbai
Dated: 10th May, 2024

Gautami Gavankar
Director
DIN: 10546984

Mumbai
Dated: 10th May, 2024

Statement of Changes in Equity

for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the reporting period	8.96	8.96
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**8.96**	**8.96**

B. OTHER EQUITY

(₹ in lakh)

Particulars	Reserve and Surplus			Total
	Securities Premium	Capital Contribution from parent	Retained earnings	
Balance as at 1st April, 2022	**496.03**	**122.50**	**2,045.46**	**2,663.99**
Profit for the year	-	-	320.68	320.68
Other comprehensive income for the year (net of tax)	-	-	(0.43)	(0.43)
Total Comprehensive Income for the year ended 31st March, 2023	**-**	**-**	**320.25**	**320.25**
Share based payments	-	0.59	-	0.59
Balance as at 31st March, 2023	**496.03**	**123.09**	**2,365.71**	**2,984.83**
Profit for the year	-	-	500.74	500.74
Other comprehensive income for the year (net of tax)	-	-	(0.46)	(0.46)
Total Comprehensive Income for the year ended 31st March, 2024	**-**	**-**	**500.27**	**500.27**
Share based payments	-	-	-	-
Balance as at 31st March, 2024	**496.03**	**123.09**	**2,865.98**	**3,485.10**

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

For and on behalf of the Board of Directors of
Kotak Mahindra Trusteeship Services Limited

Ketan Vora
Partner
Membership No. 100459

Shivaji Dam
Director
DIN: 00032568

Gautami Gavankar
Director
DIN: 10546984

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Mumbai
Dated: 10th May, 2024

Notes

to the financial statements for the year ended 31st March, 2024

1 CORPORATE INFORMATION

Kotak Mahindra Trusteeship Services Limited ('the Company') is a company domiciled in India and incorporated on 16th March, 2000, with its registered office situated at 27BKC, 6th Floor, Plot No. C-27, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051, 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 10th May, 2024.

B. OPERATING CYCLE

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

C. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakh with two decimals, except as otherwise indicated. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

D. BASIS OF MEASUREMENT

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

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

E. USE OF ESTIMATES AND JUDGEMENTS

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

I. Revenue

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

(a) Identifying performance obligation in the contract:

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

(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.

Notes

to the financial statements for the year ended 31st March, 2024

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

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

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

III. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 31.

IV. Recognition of deferred tax assets/liabilities

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

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII. Fair value of share-based payments

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

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 32.

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 33.

Notes

to the financial statements for the year ended 31st March, 2024

IX. Business model assessment

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

X. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instrument. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, as well as expected changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

XI. Impairment of financial assets

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

XII. Impairment of non-financial assets

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

XIII. Determination of lease term

Ind AS 116 on 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.

F. ADOPTION OF NEW AND REVISED STANDARDS

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after 1st April, 2023 (i.e. year ending 31st March, 2024).

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company has evaluated that this amendment doest not have any significant impact in its financial statements.

Notes

to the financial statements for the year ended 31st March, 2024

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated that this amendment doest not have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company has evaluated that this amendment doest not have any significant impact in its financial statements.

G. NEW AMENDMENTS ISSUED BUT NOT EFFECTIVE:

MCA has not issued any standards / amendments to accounting standards which are effective from 1st April, 2024.

3 MATERIAL 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 date in which they are incurred.

iii. Depreciation

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

Estimated useful lives of assets based on technical evaluation by management are as follows:

Computers	3 Years
Motor Vehicles	4 Years

Assets costing less than ₹ 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.

Notes

to the financial statements for the year ended 31st March, 2024

B. INTANGIBLE ASSETS

i. Recognition and measurement

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Software (including development) expenditure 3 Years

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

C. 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 an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

i. the Contract involves the use of identified asset;

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

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

As Lessee

The Company has 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 AS 115 - Revenue from contracts with customers:

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

Notes

to the financial statements for the year ended 31st March, 2024

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

Revenue from trusteeship and estate planning services

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

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

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.

Profit / Loss on sale of mutual fund is recognised on the date of execution of sale transaction.

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.

Notes

to the financial statements for the year ended 31st March, 2024

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

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

Deferred tax assets and liabilities are offset only if

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

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

F. EMPLOYEE BENEFITS

Defined contribution plan

Provident fund

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

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, 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 (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year, 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.

Notes

to the financial statements for the year ended 31st March, 2024

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

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

J. SHARE BASED PAYMENTS

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

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

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

The cost of equity-settled transactions is recognised in standalone 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 date 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 standalone 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 Benefits 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 36.

Notes

to the financial statements for the year ended 31st March, 2024

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

Initial recognition and measurement

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

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

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

Classification

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

Business model assessment

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

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

Notes

to the financial statements for the year ended 31st March, 2024

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 Equity under Ind AS 32 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

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

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial libilities are subsequenlty measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the 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, investment in debt instruments, security deposit, employee loans, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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

Notes

to the financial statements for the year ended 31st March, 2024

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

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

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

Method used to compute lifetime ECL:

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

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

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

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.

Notes

to the financial statements for the year ended 31st March, 2024

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

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

Financial liabilities

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

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 currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

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.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Vehicles	Computers	Total
Balance as at 1st April, 2022	62.40	10.93	73.33
Additions during the year	34.99	9.14	44.13
Disposals during the year	(10.26)	(0.57)	(10.83)
Balance as at 31st March, 2023	**87.13**	**19.50**	**106.63**
Accumulated depreciation and impairment as at 1st April, 2022	30.69	4.71	35.40
Depreciation for the year	18.37	4.69	23.06
Disposals during the year	(8.55)	(0.37)	(8.92)
Balance as at 31st March, 2023	**40.51**	**9.03**	**49.54**
Net carrying amount as at 31st March, 2023	**46.62**	**10.47**	**57.09**
Balance as at 1st April, 2023	87.13	19.50	106.63
Additions during the year	-	3.36	3.36
Disposals during the year	-	(1.19)	(1.19)
Balance as at 31st March, 2024	**87.13**	**21.67**	**108.80**
Accumulated depreciation and impairment as at 1st April, 2023	40.51	9.03	49.54
Depreciation for the year	17.01	5.81	22.82
Disposals during the year	-	(0.33)	(0.33)
Balance as at 31st March, 2024	**57.52**	**14.51**	**72.03**
Net carrying amount as at 31st March, 2024	**29.61**	**7.16**	**36.77**

Impairment loss and reversal of impairment loss

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

NOTE 5: INTANGIBLE ASSETS

(₹ in lakh)

Particulars	Software	Total
Balance as at 1st April, 2022	2.57	2.57
Additions during the year	15.00	15.00
Disposals during the year	-	-
Balance as at 31st March, 2023	**17.57**	**17.57**
Accumulated amortisation and impairment as at 1st April, 2022	2.57	2.57
Amortisation for the year	4.65	4.65
Disposals during the year	-	-
Balance as at 31st March, 2023	**7.22**	**7.22**
Net carrying amount as at 31st March, 2023	**10.35**	**10.35**
Balance as at 1st April, 2023	17.57	17.57
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2024	**17.57**	**17.57**
Accumulated amortisation and impairment as at 1st April, 2023	7.22	7.22
Amortisation for the year	5.01	5.01
Disposals during the year	-	-
Balance as at 31st March, 2024	**12.23**	**12.23**
Net carrying amount as at 31st March, 2024	**5.34**	**5.34**

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for intangible assets.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 6: NON-CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposit		
Unsecured, considered good	0.10	0.10
Fixed deposits with banks with remaining maturity of more than 12 months	131.54	-
Sub total	**131.64**	**0.10**
Less: Impairment loss allowance	(0.06)	-
Total	**131.58**	**0.10**

NOTE 7: NON-CURRENT TAX ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance income tax (Net of provision for taxation: ₹ 552.54 lakh; Previous Year: ₹ 274.80 lakh)	14.84	3.05
Total	**14.84**	**3.05**

NOTE 8: CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unquoted (Carried at FVTPL)		
Kotak Equity Arbitrage Direct-Growth Units -NIL (Previous year 3,906,476.48) ; NAV per unit - NIL ; (Previous year ₹ 33.55)	-	1,310.56
Total	**-**	**1,310.56**

NOTE 9: TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good (Refer Note 33)	448.70	423.04
Significant increase in credit risk (Refer Note 33)	-	23.71
Credit Impaired (Refer Note 33)	3.89	2.95
Sub total	**452.59**	**449.70**
Less: Impairment loss allowance	(8.41)	(1.67)
Total	**444.18**	**448.03**

Notes

to the financial statements for the year ended 31st March, 2024

AGEING SCHEDULE AS ON 31ST MARCH 2024

(₹ in lakh)

Particulars	As at 31st March 2024						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	448.70	-	-	-	-	448.70
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	3.89	-	-	-	3.89
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**-**	**448.70**	**3.89**	**-**	**-**	**-**	**452.59**

AGEING SCHEDULE AS ON 31ST MARCH 2023

(₹ in lakh)

Particulars	As at 31st March 2023						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	423.04	-	-	-	-	423.04
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	23.71	-	-	-	-	23.71
(iii) Undisputed Trade Receivables - Credit Impaired	-	2.95	-	-	-	-	2.95
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**-**	**449.70**	**-**	**-**	**-**	**-**	**449.70**

NOTE 10: CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- In current account	0.10	102.56
- Deposits with original maturity less than 3 months	-	577.81
Sub total	**0.10**	**680.37**
Less: Impairment loss allowance	-	(0.02)
Total	**0.10**	**680.35**

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 11: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits with original maturity more than 3 months but less than 12 months	3,287.64	910.02
Less: Impairment loss allowance	(1.35)	(0.29)
Total	**3,286.29**	**909.73**

NOTE 12: OTHER CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other receivables from related parties (Refer Note 29) - considered good	30.51	41.26
Less: Impairment loss allowance	(2.90)	(0.11)
Total	**27.61**	**41.15**

NOTE 13: OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances other than capital advances		
Prepaid expenses	8.85	7.36
Others	4.85	1.66
Total	**13.70**	**9.02**

NOTE 14: EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised		
100,000 (31st March, 2023: 1,00,000) equity shares of ₹10 each with voting rights	10.00	10.00
Issued, subscribed and paid up		
89,619 (31st March, 2023: 89,619) equity shares of ₹10 each with voting rights	8.96	8.96

Notes

to the financial statements for the year ended 31st March, 2024

A. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :

(₹ in lakh)

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each, fully paid-up		
As at 1st April, 2022	89,619	8.96
Add/(less) : Movement during the year	-	-
As at 31st March, 2023	**89,619**	**8.96**
Add/(less) : Movement during the year	-	-
As at 31st March, 2024	**89,619**	**8.96**

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C. SHARES HELD BY HOLDING COMPANY

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (of the above 60 Shares are held jointly with its nominees)	**89,619**	**100.00%**	**89,619**	**100.00%**

D. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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%**

E. DISCLOSURES OF SHAREHOLDING OF PROMOTERS - SHARES HELD BY THE PROMOTERS:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (60 Shares are held jointly with its nominees)	89,619	100.00%	89,619	100.00%

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 15: OTHER EQUITY

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Securities premium	496.03	496.03
Contribution from parent	123.09	123.09
Retained earnings	2,865.98	2,365.71
Total	**3,485.10**	**2,984.83**

Notes

1. 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

Capital contribution from Parent represents fair value of the employee stock option plan. These option are issued by the 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.

2. OTHER EQUITY MOVEMENT

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Securities premium		
Opening balance	496.03	496.03
Addition during the year	-	-
Closing balance	**496.03**	**496.03**
Contribution from parent		
Opening balance	123.09	122.50
Addition during the year	-	0.59
Closing balance	**123.09**	**123.09**
Retained earnings		
Opening balance	2,365.71	2,045.46
Movement during the year:		
Profit for the year	500.74	320.68
Other comprehensive income for the year (net of tax)	(0.46)	(0.43)
Closing balance	**2,865.98**	**2,365.71**

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 16: LONG TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Gratuity (Refer Note 31)	31.61	45.61
Compensated absences (Refer Note 31)	3.60	6.32
Stock appreciation rights (SARs) (Refer Note 32)	52.80	60.48
Others	2.76	7.21
Total	**90.77**	**119.62**

NOTE 17: TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	0.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	71.85	98.75
Total	**71.89**	**98.75**

AGEING SCHEDULE AS ON 31ST MARCH 2024

(₹ in lakh)

Particulars	As at 31st March, 2024				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	0.04	-	-	-	0.04
(ii) Undisputed dues - Others	71.85	-	-	-	71.85
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**71.89**	**-**	**-**	**-**	**71.89**

Notes

to the financial statements for the year ended 31st March, 2024

AGEING SCHEDULE AS ON 31ST MARCH 2023

(₹ in lakh)

Particulars		As at 31st March 2023				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed dues - MSME	-	-	-	-	-
(ii)	Undisputed dues - Others	98.75	-	-	-	98.75
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
Total		**98.75**	**-**	**-**	**-**	**98.75**

NOTE 18: SHORT TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Gratuity (Refer Note 31)	30.41	14.25
Compensated absences (Refer Note 31)	1.05	1.64
Stock appreciation rights (SARs) (Refer Note 32)	99.59	90.56
Others	9.50	10.47
Total	**140.55**	**116.92**

NOTE 19: CURRENT TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for tax (Net of advance tax ₹ 342.11 lakh; Previous year ₹ 270.50 lakh)	13.81	7.07
Total	**13.81**	**7.07**

NOTE 20: OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
GST liability	54.67	57.68
Statutory dues payable	30.28	19.23
Employee benefits payable	114.09	76.07
Total	**199.04**	**152.98**

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 21: REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Trusteeship fees	1,616.86	1,337.21
Total	**1,616.86**	**1,337.21**

NOTE 22: OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income		
Fixed deposits	206.35	64.45
Others	0.53	1.09
Fair value gain for investment in mutual funds carried at fair value through profit or loss	-	73.41
Net gain on disposal of property, plant and equipment	-	2.60
Profit on sale of current investment	11.23	-
Total	**218.11**	**141.55**

NOTE 23: EMPLOYEE BENEFITS EXPENSES

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus	673.79	650.16
Contribution to provident and other funds	30.96	29.00
Employee stock options plan (Refer Note 32)	12.03	10.40
Stock appreciation rights (Refer Note 32)	94.42	130.01
Gratuity Expense (Refer Note 31)	11.12	9.27
Staff welfare expenses	24.55	0.86
Recovery of expenses	(113.00)	(101.00)
Total	**733.87**	**728.70**

NOTE 24: DEPRECIATION AND AMORTIZATION

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of property, plant and equipment (Refer Note 4)	22.82	23.06
Amortization of intangible assets (Refer Note 5)	5.01	4.65
Total	**27.83**	**27.71**

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 25: IMPAIRMENT LOSS ALLOWANCE/(REVERSAL) ON FINANCIAL

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Impairment loss/(reversal) on:		
Trade receivables	2.85	(3.73)
Bank balance	1.10	0.05
Other financial assets	6.08	(0.24)
Total	**10.03**	**(3.92)**

NOTE 26: OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent (Refer Note 30)	61.50	37.23
Travelling and conveyance	14.93	25.67
Legal, professional and consultancy charges	29.89	33.44
Rates and taxes	0.04	0.03
Directors fees and expenses*	20.13	21.20
Payment to auditors		
- Statutory audit fees	6.50	5.00
- Reimbursement of expenses	0.20	-
Royalty expenses	5.00	5.00
Common establishment expenses	138.29	125.35
Bad debts written off	29.63	9.28
Miscellaneous expenses	105.96	35.33
Total	**412.07**	**297.53**

** includes commission of ₹ 8.13 lakh (Previous year ₹ 10 lakh) payable to directors subject to approval of shareholders in general meeting.*

NOTE 27: TAX EXPENSE

(A) AMOUNTS RECOGNISED IN PROFIT OR LOSS

(₹ in lakh)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax expense			
Current period		175.79	97.45
Adustments in respect of current income tax of previous years		4.49	6.91
Total current tax expense	**(A)**	**180.28**	**104.36**
Deferred income tax liability / (asset), net			
Origination and reversal of temporary differences		(29.85)	3.70
Deferred tax expense	**(B)**	**(29.85)**	**3.70**
Tax expense reported in the Statement of Profit and Loss	**(A)+(B)**	**150.43**	**108.06**

Notes

to the financial statements for the year ended 31st March, 2024

(B) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

(₹ in lakh)

Particulars	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	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						
Remeasurements of defined benefit liability (asset)	(0.62)	0.16	(0.46)	(0.57)	0.14	(0.43)
Total	**(0.62)**	**0.16**	**(0.46)**	**(0.57)**	**0.14**	**(0.43)**

(C) RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	651.17	428.74
Tax rate (%)	25.17%	25.17%
Tax using applicable tax rate	163.89	107.90
Tax effect of:		
Amounts which are not deductible for taxable income	3.26	0.24
Tax impact of items with differential tax rates	(16.72)	(0.08)
Total income tax expense / (benefit)	**150.43**	**108.06**

(D) MOVEMENT IN DEFERRED TAX BALANCES

(₹ in lakh)

Particulars	As at 31st March 2024				
	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	3.36	3.10	-	6.46	6.46
Fair value of Investments	(27.83)	27.83	-	-	-
Employee benefits	43.64	(3.75)	0.16	40.05	40.05
Impairment loss allowance	0.53	2.67	-	3.20	3.20
Total	**19.70**	**29.85**	**0.16**	**49.71**	**49.71**

Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

Particulars	As at 31st March 2023				
	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	2.94	0.42	-	3.36	3.36
Fair value of Investments	(9.35)	(18.48)	-	(27.83)	(27.83)
Employee benefits	28.16	15.34	0.14	43.64	43.64
Impairment loss allowance	1.51	(0.98)	-	0.53	0.53
Total	**23.26**	**(3.70)**	**0.14**	**19.70**	**19.70**

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 28: EARNINGS PER SHARE

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

(₹ in lakh)

Sr. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A)	Net profit attributable to equity holders	500.74	320.68
B)	Weighted average number of equity shares	89,619	89,619
C)	Face value per share (₹)	10.00	10.00
D)	Basic and Diluted earnings per share (₹)	558.74	357.82

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 29: RELATED PARTY DISCLOSURES

Related party disclosures, as required by Ind AS 24 on '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 persons/entities forming part of the Promoter Group, holds 25.90% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31st March, 2024		
b)	**Fellow subsidiaries with whom transactions have taken place during the year:**		
	- Kotak Mahindra General Insurance Company Limited	India	
	- Kotak Alternate Asset Managers Limited (Formerly known as Kotak Investment Advisors Limited)	India	
	- Kotak Mahindra Life Insurance Company Limited	India	
c)	**Key Management Personnel/ Directors and the related entities**		
	Key Management Personnel/ Directors:		
	- K M Gherda - Director (till 14th February, 2023)		
	- 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**		
	- Dipak Gupta		
	- KVS Manian		
	- Shanti Ekambaran		
	- Brij Disa Parthav Trust		
	- Brij Disa Arnav Trust		
	- Shivkaran Trust		
	- Shanti Family Trust		
	- Manians Family Trust		
	- Manians Family Trust II		

B. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

i. Key management personnel

(₹ in lakh)

Sr. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
i.	Directors Remuneration	20.13	21.20

Notes

to the financial statements for the year ended 31st March, 2024

ii. Transactions with other related parties

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

Nature of Transaction	Year ended 31st March	Holding company	Fellow Subsidiaries			Key Management Personnel/ Directors and related entities	Key Management Personnel/ Directors of holding company and related entities	Total
		Kotak Mahindra Bank Limited	Kotak Mahindra Life Insurance Company Limited	Kotak Alternate Asset Managers Limited	Kotak Mahindra General Insurance Company Limited			
Finance								
Interest on fixed deposit	2024	55.67	-	-	-	-	-	55.67
	2023	(64.45)	-	-	-	-	-	(64.45)
Fixed deposit placed	2024	6,111.00	-	-	-	-	-	6,111.00
	2023	(6,335.00)	-	-	-	-	-	(6,335.00)
Fixed deposits redeemed	2024	4,315.11	-	-	-	-	-	4,315.11
	2023	(6,164.21)	-	-	-	-	-	(6,164.21)
Other operating expenses	2024	58.19	-	-	-	-	-	58.19
	2023	(34.83)	-	-	-	-	-	(34.83)
Rent expenses	2024	61.50	-	-	-	-	-	61.50
	2023	(37.23)	-	-	-	-	-	(37.23)
Royalty expenses	2024	5.00	-	-	-	-	-	5.00
	2023	(5.00)	-	-	-	-	-	(5.00)
Insurance premium paid	2024	-	1.44	-	0.13	-	-	1.57
	2023	-	(2.16)	-	(0.32)	-	-	(2.48)
Common establishment expenses/ reimbursement of expenses paid	2024	38.29	-	100.00	-	-	-	138.29
	2023	(22.35)	-	(103.00)	-	-	-	(125.35)
Reimbursement of expenses from other companies	2024	-	-	113.00	-	-	-	113.00
	2023	-	-	(101.00)	-	-	-	(101.00)
ESOP expense	2024	14.41	-		-	-	-	14.41
	2023	(10.40)	-		-	-	-	(10.40)
Directors Remuneration	2024	-	-	-	-	20.13	-	20.13
	2023	-	-	-	-	(21.20)	-	(21.20)
Trusteeship Fees Income	2024	-	-	-	-	4.00	11.50	15.50
	2023	-	-	-	-	(1.00)	(13.59)	(14.59)
Balance Outstanding								
Trade receivables	2024	-	-	-	-	-	-	-
	2023	-	-	-	-	(0.59)	(3.24)	(3.83)
Other current assets	2024	11.50	1.07	30.51	0.12	-	-	43.20
	2023	(11.86)	(1.34)	(41.04)	(0.12)	-	-	(54.36)
Bank balances	2024	-	-	-	-	-	-	-
	2023	(102.56)	-	-	-	-	-	(102.56)
Fixed deposit	2024	552.08	-	-	-	-	-	552.08
	2023	(1,476.19)	-	-	-	-	-	(1,476.19)
Trade payables	2024	37.40	-	-	-	-	-	37.40
	2023	(9.24)	-	(49.56)	-		-	(58.80)
Capital contribution from parent	2024	123.09	-	-	-	-	-	123.09
	2023	(123.09)	-	-	-	-	-	(123.09)

Notes

to the financial statements for the year ended 31st March, 2024

iii. Terms and conditions of transactions with related parties

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

NOTE 30: 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.

AMUNTS RECOGNISED IN PROFIT OR LOSS

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Lease expense	61.50	37.23
Total	**61.50**	**37.23**

NOTE 31: EMPLOYEE BENEFITS

A. THE COMPANY CONTRIBUTES TO THE FOLLOWING POST-EMPLOYMENT DEFINED BENEFIT PLANS IN INDIA

(i) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss towards contributions to provident fund and other funds.

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Provident Fund	30.96	29.00
	30.96	**29.00**

(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. The plan is unfunded.

Based on the actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at Balance Sheet date:

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of unfunded defined benefit obligation (A)	62.02	59.86
Fair value of plan assets (B)	-	-
Net (asset) / liability recognised in the Balance Sheet (A-B)	**62.02**	**59.86**

Notes

to the financial statements for the year ended 31st March, 2024

B. MOVEMENT IN NET DEFINED BENEFIT (ASSET)/LIABILIT

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

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	59.86	59.55
Included in profit or loss		
Current service cost	7.26	5.74
Past service cost	-	-
Interest cost	3.85	3.43
	70.97	**68.72**
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss / (gain) arising from:		
Demographic assumptions	-	4.98
Financial assumptions	0.29	(1.80)
Experience adjustment	0.33	(2.61)
	0.62	**0.57**
Contributions paid by the employer		
Liabilities assumed on acquisitions	(7.76)	(5.67)
Benefits paid	(1.81)	(3.76)
Closing balance	**62.02**	**59.86**
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	62.02	59.86

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 31st March, 2024	As at 31st March, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	7.00% p.a	7.00% p.a
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

Notes

to the financial statements for the year ended 31st March, 2024

ii. Sensitivity analysis

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

(₹ in lakh)

Category	As at 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	61.06	63.03	58.43	61.35
Salary Escalation Rate (50 bps movement)	62.50	61.53	60.28	59.42

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

(i) 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 NIL.

(ii) Expected future benefit payments:

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

(₹ in lakh)

Maturity Profile	Amount
Expected benefits for Year 1	30.41
Expected benefits for Year 2	7.72
Expected benefits for Year 3	6.40
Expected benefits for Year 4	5.46
Expected benefits for Year 5	4.64
Expected benefits for Year 6	3.84
Expected benefits for Year 7	3.29
Expected benefits for Year 8	2.84
Expected benefits for Year 9	2.46
Expected benefits for Year 10 and above	16.46
Total	**83.52**

Notes

to the financial statements for the year ended 31st March, 2024

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 ₹ 3.31 lakh (Previous year: ₹ 9.74 lakh) 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 Company is given below:

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total actuarial liability	4.65	7.96
Assumptions :		
Discount rate	7.15%	7.30%
Salary escalation rate	7.00%	7.00%

NOTE 32: 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 05th 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 Employees Stock Option Schemes of the erstwhile IVBL, as given below:

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

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

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

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

As at 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions/dates	Contractual Life (In Yrs)
ESOPSCHEME2015SR30	30th May, 2021	Equity	767	30th June, 2024	3.59
ESOPSCHEME2015SR30	30th May, 2021	Equity	769	30th June, 2025	4.59
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2024	2.56
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2025	3.56
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2026	4.56
ESOPSCHEME2015SR40	2nd May, 2023	Equity	868	30th June, 2024	1.67
ESOPSCHEME2015SR40	2nd May, 2023	Equity	868	30th June, 2025	2.67
ESOPSCHEME2015SR40	2nd May, 2023	Equity	868	30th June, 2026	3.67
ESOPSCHEME2015SR40	2nd May, 2023	Equity	866	30th June, 2027	4.67
			6,986		

Notes

to the financial statements for the year ended 31st March, 2024

As at 31st March, 2023

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions/ dates	Contractual Life (In Yrs)
ESOPSCHEME2015SR19	20th May, 2019	Equity	434	30st December, 2022	4.12
ESOPSCHEME2015SR30	30th May, 2021	Equity	767	30th June, 2023	1.59
ESOPSCHEME2015SR30	30th May, 2021	Equity	767	30th June, 2024	2.08
ESOPSCHEME2015SR30	30th May, 2021	Equity	769	30th June, 2025	1.59
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2023	1.64
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2024	2.65
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2025	3.65
ESOPSCHEME2015SR34	10th May, 2022	Equity	660	31st May, 2026	4.65
			5,377		

B. MEASUREMENT OF FAIR VALUES

i. Equity-settled share-based payment arrangements

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

As at 31st March, 2024

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market Price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
ESOPSCHEME2015SR30	30th May, 2021	3.09	0.50	0.25	1,801	1,801	4.05%	0.05%	42.76%	391
ESOPSCHEME2015SR30	30th May, 2021	4.09	0.50	1.25	1,801	1,801	4.05%	0.05%	42.76%	391
ESOPSCHEME2015SR34	10th May, 2022	2.06	0.50	0.17	1,798	1,768	5.75%	0.06%	27.72%	269
ESOPSCHEME2015SR34	10th May, 2022	3.06	0.50	1.17	1,798	1,768	5.75%	0.06%	27.72%	269
ESOPSCHEME2015SR34	10th May, 2022	4.06	0.50	2.17	1,798	1,768	5.75%	0.06%	27.72%	269
ESOPSCHEME2015SR40	2nd May, 2023	1.16	0.50	0.25	1,939	1,938	7.05%	0.08%	23.45%	308
ESOPSCHEME2015SR40	2nd May, 2023	2.16	0.50	1.25	1,939	1,938	7.03%	0.08%	24.79%	447
ESOPSCHEME2015SR40	2nd May, 2023	3.16	0.50	2.25	1,939	1,938	7.10%	0.08%	32.34%	643
ESOPSCHEME2015SR40	2nd May, 2023	4.16	0.50	3.25	1,939	1,938	7.14%	0.08%	30.80%	729

As at 31st March, 2023

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market Price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
ESOPSCHEME2015SR19	20th May, 2019	3.62	0.50	3.87	1,460	1,460	7.03%	0.05%	31.00%	508
ESOPSCHEME2015SR30	30th May, 2021	1.08	0.50	1.34	1,801	1,801	4.05%	0.05%	42.76%	391
ESOPSCHEME2015SR30	30th May, 2021	2.08	0.50	2.34	1,801	1,801	4.65%	0.05%	35.50%	464
ESOPSCHEME2015SR30	30th May, 2021	3.09	0.50	3.34	1,801	1,801	5.13%	0.05%	32.78%	546
ESOPSCHEME2015SR30	30th May, 2021	4.09	0.50	4.34	1,801	1,801	5.53%	0.05%	29.80%	609
ESOPSCHEME2015SR34	10th May, 2022	1.06	0.50	1.31	1,798	1,768	5.75%	0.06%	27.72%	269
ESOPSCHEME2015SR34	10th May, 2022	2.06	0.50	2.31	1,798	1,768	6.37%	0.06%	36.85%	482
ESOPSCHEME2015SR34	10th May, 2022	3.06	0.50	3.31	1,798	1,768	7.05%	0.06%	33.04%	569
ESOPSCHEME2015SR34	10th May, 2022	4.06	0.50	4.31	1,798	1,768	7.26%	0.06%	31.40%	655

Notes

to the financial statements for the year ended 31st March, 2024

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024

Particular	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 are as follows:

Scheme reference	Grant Date	As at 31st March, 2024							
		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
ESOPSCHEME2015SR19	20th May, 2021	434	-	(434)	-	-	-	-	-
ESOPSCHEME2015SR30	30th May, 2021	2,303	-	(767)	-	-	-	1,536	-
ESOPSCHEME2015SR34	10th May, 2022	2,640	-	-	-	(660)	-	1,980	-
ESOPSCHEME2015SR40	2nd May, 2023	-	3,470	-	-	-	-	3,470	-
		5,377	**3,470**	**(1,201)**	**-**	**(660)**	**-**	**6,986**	**-**

Scheme reference	Grant Date	As at 31st March, 2023							
		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
ESOPSCHEME2015SR14	18th May, 2018	-	-	(2,324)	-	-	-	(2,324)	-
ESOPSCHEME2015SR19	20th May, 2019	-	-	(1,085)	-	-	-	(1,085)	651
ESOPSCHEME2015SR30	30th May, 2021	2,324	-	(767)	-	-	-	1,557	-
ESOPSCHEME2015SR34	10th May, 2022	-	2,640	-	-	-	-	2,640	-
		2,324	**2,640**	**(4,176)**	**-**	**-**	**-**	**788**	**651**

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,868.69 (Previous year: ₹ 1,793.16).

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

Scheme	Range of exercise prices (₹)	As at 31st March, 2024			As at 31st March, 2023		
		Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
ESOPSCHEME2015SR14	1201-1300	-	-	-	-	0.25	1,271
ESOPSCHEME2015SR19	1401-1500	-	-	-	434	1.25	1,460
ESOPSCHEME2015SR30	1801-1900	1,536	0.75	1,801	2,303	3.76	1,801
ESOPSCHEME2015SR34	1701-1800	1,980	1.17	1,798	2,640	3.06	1,798
ESOPSCHEME2015SR40	1901-2000	3,470	1.75	1,939	-	-	-
		6,986			**5,377**		

Notes

to the financial statements for the year ended 31st March, 2024

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 3090 SARs during FY 2023- 24. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.16 years to 4.20 years

As at 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of SARs outstanding	Vesting conditions/ dates	Contractual life (in Yrs)
Scheme 2015-31 (Series 31)IV	7th August, 2020	Cash	247	31st August, 2024	4.07
Scheme 2015-31 (Series 31)V	7th August, 2020	Cash	247	7th September, 2024	4.09
Scheme 2015-31 (Series 31)VI	7th August, 2020	Cash	250	14th September, 2024	4.11
Scheme 2015- Series 32 V3	30th May, 2021	Cash	69	30th June, 2024	3.09
Scheme 2015- Series 32 V3	30th May, 2021	Cash	69	7th July, 2024	3.11
Scheme 2015- Series 32 V3	30th May, 2021	Cash	69	14th July, 2024	3.13
Scheme 2015- Series 32 V4	30th May, 2021	Cash	69	30th June, 2025	4.09
Scheme 2015- Series 32 V4	30th May, 2021	Cash	69	7th July, 2025	4.11
Scheme 2015- Series 32 V4	30th May, 2021	Cash	71	14th July, 2025	4.13
Scheme 2015- Series 38-IV	17th March, 2022	Cash	626	31st March, 2024	2.04
Scheme 2015- Series 38-V	17th March, 2022	Cash	645	7th April, 2024	2.06
Scheme 2015- Series 38-VI	17th March, 2022	Cash	607	14th April, 2024	2.08
Scheme 2015- Series 38-VII	17th March, 2022	Cash	645	31st March, 2025	3.04
Scheme 2015- Series 38-VIII	17th March, 2022	Cash	645	7th April, 2025	3.06
Scheme 2015- Series 38-IX	17th March, 2022	Cash	644	14th April, 2025	3.08
Scheme 2015- Series 38-IV	17th March, 2022	Cash	312	31st March, 2024	2.04
Scheme 2015- Series 38-V	17th March, 2022	Cash	322	7th April, 2024	2.06
Scheme 2015- Series 38-VI	17th March, 2022	Cash	303	14th April, 2024	2.08
Scheme 2015- Series 38-VII	17th March, 2022	Cash	322	31st March, 2025	3.04
Scheme 2015- Series 38-VIII	17th March, 2022	Cash	322	7th April, 2025	3.06
Scheme 2015- Series 38-IX	17th March, 2022	Cash	322	14th April, 2025	3.08
Scheme 2015- Series 40 - IV	10th May, 2022	Cash	184	31st May, 2024	2.06
Scheme 2015- Series 40 - V	10th May, 2022	Cash	184	7th June, 2024	2.08
Scheme 2015- Series 40 - VI	10th May, 2022	Cash	185	14th June, 2024	2.10
Scheme 2015- Series 40 - VII	10th May, 2022	Cash	184	31st May, 2025	3.06
Scheme 2015- Series 40 - VIII	10th May, 2022	Cash	184	7th June, 2025	3.08
Scheme 2015- Series 40 - IX	10th May, 2022	Cash	185	14th June, 2025	3.10
Scheme 2015- Series 40 - X	10th May, 2022	Cash	184	31st May, 2026	4.06
Scheme 2015- Series 40 - XI	10th May, 2022	Cash	184	7th June, 2026	4.08
Scheme 2015- Series 40 - XII	10th May, 2022	Cash	183	14th June, 2026	4.10
Scheme 2015- Series 40 - IV	10th May, 2022	Cash	68	31st May, 2024	2.06
Scheme 2015- Series 40 - V	10th May, 2022	Cash	68	7th June, 2024	2.08

Notes

to the financial statements for the year ended 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of SARs outstanding	Vesting conditions/ dates	Contractual life (in Yrs)
Scheme 2015- Series 40 - VI	10th May, 2022	Cash	67	14th June, 2024	2.10
Scheme 2015- Series 40 - VII	10th May, 2022	Cash	68	31st May, 2025	3.06
Scheme 2015- Series 40 - VIII	10th May, 2022	Cash	68	7th June, 2025	3.08
Scheme 2015- Series 40 - IX	10th May, 2022	Cash	67	14th June, 2025	3.10
Scheme 2015- Series 40 - X	10th May, 2022	Cash	67	31st May, 2026	4.06
Scheme 2015- Series 40 - XI	10th May, 2022	Cash	67	7th June, 2026	4.08
Scheme 2015- Series 40 - XII	10th May, 2022	Cash	67	14th June, 2026	4.10
Scheme 2015- Series 55 - I	2nd May, 2023	Cash	187	30th June, 2024	1.16
Scheme 2015- Series 55 - II	2nd May, 2023	Cash	187	7th July, 2024	1.18
Scheme 2015- Series 55 - III	2nd May, 2023	Cash	186	14th July, 2024	1.20
Scheme 2015- Series 55 - IV	2nd May, 2023	Cash	187	30th June, 2025	2.16
Scheme 2015- Series 55 - V	2nd May, 2023	Cash	187	7th July, 2025	2.18
Scheme 2015- Series 55 - VI	2nd May, 2023	Cash	186	14th July, 2025	2.20
Scheme 2015- Series 55 - VII	2nd May, 2023	Cash	187	30th June, 2026	3.16
Scheme 2015- Series 55 - VIII	2nd May, 2023	Cash	187	7th July, 2026	3.18
Scheme 2015- Series 55 - IX	2nd May, 2023	Cash	186	14th July, 2026	3.20
Scheme 2015- Series 55 - X	2nd May, 2023	Cash	187	30th June, 2027	4.16
Scheme 2015- Series 55 - XI	2nd May, 2023	Cash	187	7th July, 2027	4.18
Scheme 2015- Series 55 - XII	2nd May, 2023	Cash	186	14th July, 2027	4.20
Scheme 2015- Series 55 - I	2nd May, 2023	Cash	71	30th June, 2024	1.16
Scheme 2015- Series 55 - II	2nd May, 2023	Cash	71	7th July, 2024	1.18
Scheme 2015- Series 55 - III	2nd May, 2023	Cash	71	14th July, 2024	1.20
Scheme 2015- Series 55 - IV	2nd May, 2023	Cash	71	30th June, 2025	2.16
Scheme 2015- Series 55 - V	2nd May, 2023	Cash	71	7th July, 2025	2.18
Scheme 2015- Series 55 - VI	2nd May, 2023	Cash	71	14th July, 2025	2.20
Scheme 2015- Series 55 - VII	2nd May, 2023	Cash	71	30th June, 2026	3.16
Scheme 2015- Series 55 - VIII	2nd May, 2023	Cash	71	7th July, 2026	3.18
Scheme 2015- Series 55 - IX	2nd May, 2023	Cash	71	14th July, 2026	3.20
Scheme 2015- Series 55 - X	2nd May, 2023	Cash	70	30th June, 2027	4.16
Scheme 2015- Series 55 - XI	2nd May, 2023	Cash	70	7th July, 2027	4.18
Scheme 2015- Series 55 - XII	2nd May, 2023	Cash	71	14th July, 2027	4.20
			12,229		

Notes

to the financial statements for the year ended 31st March, 2024

As at 31st March, 2023

Scheme reference	Grant Date	Mode of settlement accounting	No. of SARs outstanding	Vesting conditions/ dates	Contractual life (in Yrs)
Scheme 2015 - Series 28 V3-1	7th August, 2020	Cash	18	30th June, 2023	2.90
Scheme 2015 - Series 28 V3-2	7th August, 2020	Cash	19	7th July, 2023	2.92
Scheme 2015 - Series 28 V3-3	7th August, 2020	Cash	19	14th July, 2023	2.93
Scheme 2015 - Series 28 V4-1	7th August, 2020	Cash	18	31st December, 2023	3.40
Scheme 2015 - Series 28 V4-2	7th August, 2020	Cash	19	7th January, 2024	3.42
Scheme 2015 - Series 28 V4-3	7th August, 2020	Cash	19	14th January, 2024	3.44
Scheme 2015 - Series 31 V1-1	7th August, 2020	Cash	372	31st August, 2023	3.07
Scheme 2015 - Series 31 V1-2	7th August, 2020	Cash	372	7th September, 2023	3.08
Scheme 2015 - Series 31 V1-3	7th August, 2020	Cash	372	14th September, 2023	3.10
Scheme 2015 - Series 31 V2-1	7th August, 2020	Cash	247	31st August, 2024	4.07
Scheme 2015 - Series 31 V2-2	7th August, 2020	Cash	247	7th September, 2024	4.09
Scheme 2015 - Series 31 V2-3	7th August, 2020	Cash	250	14th September, 2024	4.11
Scheme 2015- Series 32 V2-1	30th May, 2021	Cash	69	30th June, 2023	2.08
Scheme 2015- Series 32 V2-2	30th May, 2021	Cash	69	7th July, 2023	2.10
Scheme 2015- Series 32 V2-3	30th May, 2021	Cash	69	14th July, 2023	2.12
Scheme 2015- Series 32 V3-1	30th May, 2021	Cash	69	30th June, 2024	3.09
Scheme 2015- Series 32 V3-2	30th May, 2021	Cash	69	7th July, 2024	3.11
Scheme 2015- Series 32 V3-3	30th May, 2021	Cash	69	14th July, 2024	3.13
Scheme 2015- Series 32 V4-1	30th May, 2021	Cash	69	30th June, 2025	4.09
Scheme 2015- Series 32 V4-2	30th May, 2021	Cash	69	7th July, 2025	4.11
Scheme 2015- Series 32 V4-3	30th May, 2021	Cash	71	14th July, 2025	4.13
Scheme 2015- Series 38 v1-1	17th March, 2022	Cash	938	31st March, 2023	1.04
Scheme 2015- Series 38 V1-2	17th March, 2022	Cash	938	7th April, 2023	1.06
Scheme 2015- Series 38 V1-3	17th March, 2022	Cash	939	14th April, 2023	1.08
Scheme 2015- Series 38 V2-1	17th March, 2022	Cash	938	31st March, 2024	2.04
Scheme 2015- Series 38 v2-2	17th March, 2022	Cash	967	7th April, 2024	2.06
Scheme 2015- Series 38 v2-3	17th March, 2022	Cash	910	14th April, 2024	2.08
Scheme 2015- Series 38 v3-1	17th March, 2022	Cash	967	31st March, 2025	3.04
Scheme 2015- Series 38 v3-2	17th March, 2022	Cash	967	7th April, 2025	3.06
Scheme 2015- Series 38 v3-3	17th March, 2022	Cash	966	14th April, 2025	3.08
Scheme 2015- Series 40 - V1-1	10th May, 2022	Cash	317	31st May, 2023	1.06
Scheme 2015- Series 40 - V1-2	10th May, 2022	Cash	317	7th June, 2023	1.08
Scheme 2015- Series 40 - V1-3	10th May, 2022	Cash	317	14th June, 2023	1.10
Scheme 2015- Series 40 - V2-1	10th May, 2022	Cash	317	31st May, 2024	2.06
Scheme 2015- Series 40 - V2-2	10th May, 2022	Cash	317	7th June, 2024	2.08
Scheme 2015- Series 40 - V2-3	10th May, 2022	Cash	317	14th June, 2024	2.10

Notes

to the financial statements for the year ended 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of SARs outstanding	Vesting conditions/ dates	Contractual life (in Yrs)
Scheme 2015- Series 40 - V3-1	10th May, 2022	Cash	317	31st May, 2025	3.06
Scheme 2015- Series 40 - V3-2	10th May, 2022	Cash	317	7th June, 2025	3.08
Scheme 2015- Series 40 - V3-3	10th May, 2022	Cash	317	14th June, 2025	3.10
Scheme 2015- Series 40 - V4-1	10th May, 2022	Cash	316	31st May, 2026	4.06
Scheme 2015- Series 40 - V4-2	10th May, 2022	Cash	316	7th June, 2026	4.08
Scheme 2015- Series 40 - V4-3	10th May, 2022	Cash	315	14th June, 2026	4.10
			14,925		

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

Scheme reference	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (₹)
Scheme 2015-31 (Series 31)IV	7th August, 2020	0.42	0.08%	17.44%	7.11%	1,785
Scheme 2015-31 (Series 31)V	7th August, 2020	0.44	0.08%	17.79%	7.13%	1,785
Scheme 2015-31 (Series 31)VI	7th August, 2020	0.46	0.08%	17.64%	7.14%	1,785
Scheme 2015- Series 32 V3	30th May, 2021	0.25	0.08%	19.24%	7.02%	1,785
Scheme 2015- Series 32 V3	30th May, 2021	0.27	0.08%	19.19%	7.03%	1,785
Scheme 2015- Series 32 V3	30th May, 2021	0.29	0.08%	18.84%	7.04%	1,785
Scheme 2015- Series 32 V4	30th May, 2021	1.25	0.08%	17.40%	7.07%	1,784
Scheme 2015- Series 32 V4	30th May, 2021	1.27	0.08%	17.35%	7.07%	1,784
Scheme 2015- Series 32 V4	30th May, 2021	1.29	0.08%	17.28%	7.07%	1,784
Scheme 2015- Series 38-IV	17th March, 2022	-	0.08%	-	6.88%	1,786
Scheme 2015- Series 38-V	17th March, 2022	0.02	0.08%	14.68%	6.89%	1,785
Scheme 2015- Series 38-VI	17th March, 2022	0.04	0.08%	11.25%	6.90%	1,785
Scheme 2015- Series 38-VII	17th March, 2022	1.00	0.08%	17.76%	7.11%	1,784
Scheme 2015- Series 38-VIII	17th March, 2022	1.02	0.08%	17.69%	7.11%	1,784
Scheme 2015- Series 38-IX	17th March, 2022	1.04	0.08%	17.64%	7.10%	1,784
Scheme 2015- Series 38-IV	17th March, 2022	-	0.08%	-	6.88%	1,786
Scheme 2015- Series 38-V	17th March, 2022	0.02	0.08%	14.68%	6.89%	1,785
Scheme 2015- Series 38-VI	17th March, 2022	0.04	0.08%	11.25%	6.90%	1,785
Scheme 2015- Series 38-VII	17th March, 2022	1.00	0.08%	17.76%	7.11%	1,784
Scheme 2015- Series 38-VIII	17th March, 2022	1.02	0.08%	17.69%	7.11%	1,784
Scheme 2015- Series 38-IX	17th March, 2022	1.04	0.08%	17.64%	7.10%	1,784
Scheme 2015- Series 40 - IV	10th May, 2022	0.17	0.08%	18.90%	6.97%	1,785
Scheme 2015- Series 40 - V	10th May, 2022	0.19	0.08%	19.31%	6.98%	1,785
Scheme 2015- Series 40 - VI	10th May, 2022	0.21	0.08%	20.32%	7.00%	1,785
Scheme 2015- Series 40 - VII	10th May, 2022	1.17	0.08%	17.63%	7.08%	1,784
Scheme 2015- Series 40 - VIII	10th May, 2022	1.19	0.08%	17.59%	7.08%	1,784

Notes

to the financial statements for the year ended 31st March, 2024

Scheme reference	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (₹)
Scheme 2015- Series 40 - IX	10th May, 2022	1.21	0.08%	17.54%	7.08%	1,784
Scheme 2015- Series 40 - X	10th May, 2022	2.17	0.08%	20.86%	7.14%	1,782
Scheme 2015- Series 40 - XI	10th May, 2022	2.19	0.08%	20.94%	7.14%	1,782
Scheme 2015- Series 40 - XII	10th May, 2022	2.21	0.08%	20.91%	7.14%	1,782
Scheme 2015- Series 40 - IV	10th May, 2022	0.17	0.08%	18.90%	6.97%	1,785
Scheme 2015- Series 40 - V	10th May, 2022	0.19	0.08%	19.31%	6.98%	1,785
Scheme 2015- Series 40 - VI	10th May, 2022	0.21	0.08%	20.32%	7.00%	1,785
Scheme 2015- Series 40 - VII	10th May, 2022	1.17	0.08%	17.63%	7.08%	1,784
Scheme 2015- Series 40 - VIII	10th May, 2022	1.19	0.08%	17.59%	7.08%	1,784
Scheme 2015- Series 40 - IX	10th May, 2022	1.21	0.08%	17.54%	7.08%	1,784
Scheme 2015- Series 40 - X	10th May, 2022	2.17	0.08%	20.86%	7.14%	1,782
Scheme 2015- Series 40 - XI	10th May, 2022	2.19	0.08%	20.94%	7.14%	1,782
Scheme 2015- Series 40 - XII	10th May, 2022	2.21	0.08%	20.91%	7.14%	1,782
Scheme 2015- Series 55 - I	2nd May, 2023	0.25	0.08%	19.24%	7.02%	1,785
Scheme 2015- Series 55 - II	2nd May, 2023	0.27	0.08%	19.19%	7.03%	1,785
Scheme 2015- Series 55 - III	2nd May, 2023	0.29	0.08%	18.84%	7.04%	1,785
Scheme 2015- Series 55 - IV	2nd May, 2023	1.25	0.08%	17.40%	7.07%	1,784
Scheme 2015- Series 55 - V	2nd May, 2023	1.27	0.08%	17.35%	7.07%	1,784
Scheme 2015- Series 55 - VI	2nd May, 2023	1.29	0.08%	17.28%	7.07%	1,784
Scheme 2015- Series 55 - VII	2nd May, 2023	2.25	0.08%	21.05%	7.14%	1,782
Scheme 2015- Series 55 - VIII	2nd May, 2023	2.27	0.08%	21.03%	7.14%	1,782
Scheme 2015- Series 55 - IX	2nd May, 2023	2.29	0.08%	21.22%	7.14%	1,782
Scheme 2015- Series 55 - X	2nd May, 2023	3.25	0.08%	22.98%	7.18%	1,781
Scheme 2015- Series 55 - XI	2nd May, 2023	3.27	0.08%	22.98%	7.18%	1,781
Scheme 2015- Series 55 - XII	2nd May, 2023	3.29	0.08%	22.92%	7.18%	1,781
Scheme 2015- Series 55 - I	2nd May, 2023	0.25	0.08%	19.24%	7.02%	1,785
Scheme 2015- Series 55 - II	2nd May, 2023	0.27	0.08%	19.19%	7.03%	1,785
Scheme 2015- Series 55 - III	2nd May, 2023	0.29	0.08%	18.84%	7.04%	1,785
Scheme 2015- Series 55 - IV	2nd May, 2023	1.25	0.08%	17.40%	7.07%	1,784
Scheme 2015- Series 55 - V	2nd May, 2023	1.27	0.08%	17.35%	7.07%	1,784
Scheme 2015- Series 55 - VI	2nd May, 2023	1.29	0.08%	17.28%	7.07%	1,784
Scheme 2015- Series 55 - VII	2nd May, 2023	2.25	0.08%	21.05%	7.14%	1,782
Scheme 2015- Series 55 - VIII	2nd May, 2023	2.27	0.08%	21.03%	7.14%	1,782
Scheme 2015- Series 55 - IX	2nd May, 2023	2.29	0.08%	21.22%	7.14%	1,782
Scheme 2015- Series 55 - X	2nd May, 2023	3.25	0.08%	22.98%	7.18%	1,781
Scheme 2015- Series 55 - XI	2nd May, 2023	3.27	0.08%	22.98%	7.18%	1,781
Scheme 2015- Series 55 - XII	2nd May, 2023	3.29	0.08%	22.92%	7.18%	1,781

Notes

to the financial statements for the year ended 31st March, 2024

As at 31st March, 2023

Scheme reference	Grant Date	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per SARs (₹)
Scheme 2015 - Series 28 V3-1	7th August, 2020	0.25	0.06%	16.01%	7.00%	1,720.77
Scheme 2015 - Series 28 V3-2	7th August, 2020	0.27	0.06%	15.86%	7.02%	1,720.75
Scheme 2015 - Series 28 V3-3	7th August, 2020	0.29	0.06%	15.63%	7.03%	1,720.73
Scheme 2015 - Series 28 V4-1	7th August, 2020	0.75	0.06%	19.31%	7.32%	1,720.22
Scheme 2015 - Series 28 V4-2	7th August, 2020	0.77	0.06%	19.13%	7.32%	1,720.20
Scheme 2015 - Series 28 V4-3	7th August, 2020	0.79	0.06%	19.61%	7.31%	1,720.18
Scheme 2015 - Series 31 V1-1	7th August, 2020	0.42	0.06%	15.02%	7.16%	1,720.59
Scheme 2015 - Series 31 V1-2	7th August, 2020	0.44	0.06%	15.59%	7.17%	1,720.57
Scheme 2015 - Series 31 V1-3	7th August, 2020	0.46	0.06%	15.66%	7.19%	1,720.55
Scheme 2015 - Series 31 V2-1	7th August, 2020	1.42	0.06%	24.38%	7.21%	1,719.49
Scheme 2015 - Series 31 V2-2	7th August, 2020	1.44	0.06%	24.82%	7.20%	1,719.46
Scheme 2015 - Series 31 V2-3	7th August, 2020	1.46	0.06%	24.71%	7.20%	1,719.44
Scheme 2015- Series 32 V2-1	30th May, 2021	0.25	0.06%	16.01%	7.00%	1,720.77
Scheme 2015- Series 32 V2-2	30th May, 2021	0.27	0.06%	15.86%	7.02%	1,720.75
Scheme 2015- Series 32 V2-3	30th May, 2021	0.29	0.06%	15.63%	7.03%	1,720.73
Scheme 2015- Series 32 V3-1	30th May, 2021	1.25	0.06%	23.35%	7.24%	1,719.67
Scheme 2015- Series 32 V3-2	30th May, 2021	1.27	0.06%	23.39%	7.24%	1,719.65
Scheme 2015- Series 32 V3-3	30th May, 2021	1.29	0.06%	23.54%	7.23%	1,719.63
Scheme 2015- Series 32 V4-1	30th May, 2021	2.25	0.06%	24.95%	7.26%	1,718.57
Scheme 2015- Series 32 V4-2	30th May, 2021	2.27	0.06%	24.93%	7.26%	1,718.55
Scheme 2015- Series 32 V4-3	30th May, 2021	2.29	0.06%	24.84%	7.27%	1,718.53
Scheme 2015- Series 38 v1-1	17th March, 2022	-	0.06%	-	6.77%	-
Scheme 2015- Series 38 V1-2	17th March, 2022	0.02	0.06%	15.98%	6.79%	1,721.03
Scheme 2015- Series 38 V1-3	17th March, 2022	0.04	0.06%	14.24%	6.81%	1,721.01
Scheme 2015- Series 38 V2-1	17th March, 2022	1.00	0.06%	20.90%	7.29%	1,719.95
Scheme 2015- Series 38 v2-2	17th March, 2022	1.02	0.06%	21.24%	7.29%	1,719.93
Scheme 2015- Series 38 v2-3	17th March, 2022	1.04	0.06%	21.65%	7.28%	1,719.90
Scheme 2015- Series 38 v3-1	17th March, 2022	2.00	0.06%	24.23%	7.19%	1,718.85
Scheme 2015- Series 38 v3-2	17th March, 2022	2.02	0.06%	24.16%	7.20%	1,718.83
Scheme 2015- Series 38 v3-3	17th March, 2022	2.04	0.06%	24.13%	7.20%	1,718.81
Scheme 2015- Series 40 - V1-1	10th May, 2022	0.17	0.06%	17.07%	6.92%	1,720.87
Scheme 2015- Series 40 - V1-2	10th May, 2022	0.19	0.06%	16.88%	6.94%	1,720.84
Scheme 2015- Series 40 - V1-3	10th May, 2022	0.21	0.06%	16.59%	6.96%	1,720.82
Scheme 2015- Series 40 - V2-1	10th May, 2022	1.17	0.06%	23.20%	7.26%	1,719.76
Scheme 2015- Series 40 - V2-2	10th May, 2022	1.19	0.06%	23.31%	7.25%	1,719.74
Scheme 2015- Series 40 - V2-3	10th May, 2022	1.21	0.06%	23.18%	7.25%	1,719.72
Scheme 2015- Series 40 - V3-1	10th May, 2022	2.71	0.06%	25.14%	7.24%	1,718.66
Scheme 2015- Series 40 - V3-2	10th May, 2022	2.19	0.06%	25.14%	7.24%	1,718.64
Scheme 2015- Series 40 - V3-3	10th May, 2022	2.21	0.06%	25.09%	7.25%	1,718.62
Scheme 2015- Series 40 - V4-1	10th May, 2022	3.17	0.06%	33.11%	7.29%	1,717.57
Scheme 2015- Series 40 - V4-2	10th May, 2022	3.19	0.06%	33.18%	7.29%	1,717.54
Scheme 2015- Series 40 - V4-3	10th May, 2022	3.21	0.06%	33.10%	7.29%	1,717.52

Notes

to the financial statements for the year ended 31st March, 2024

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024

Particular	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	31st March, 2024						
		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
2015-28 (Series 28)	7th August, 2020	112	-	(112)	-	-	-	-
2015-31 (Series 31)	7th August, 2020	1,860	-	(1,116)	-	-	-	744
2015-31 (Series 32)	30th May, 2021	623	-	(207)	-	-	-	416
2015-31 (Series 38)	17th March, 2022	8,530	-	(2,815)	(220)	-	(560)	4935
2015-31 (Series 40)	10th May, 2022	3,800	-	(756)	-	-	-	3044
2015- 55 (Series 55)	2nd May, 2023	-	3,170		(80)	-	-	3090
		14,925	**3,170**	**(5,006)**	**(300)**	**-**	**(560)**	**12,229**

Scheme	Grant Date	31st March, 2023						
		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
2015-22 (Series 22)	18th May, 2018	384	-	(384)	-	-	-	-
2015-28 (Series 28)	7th August, 2020	196	-	(84)	-	-	-	112
2015-31 (Series 31)	7th August, 2020	1,860	-	-	-	-	-	1,860
2015-31 (Series 32)	30th May, 2021	830	-	(207)	-	-	-	623
2015-31 (Series 38)	17th March, 2022	8,530	-	-	-	-	-	8,530
2015-31 (Series 40)	10th May, 2022	-	3,800	-	-	-	-	3,800
		11,800	**3,800**	**(675)**	**-**	**-**	**-**	**14,925**

Effect of the employee share-based payment plans on the statement of profit and loss and on the financial position:

Statement of Profit and Loss

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Employee stock option plan	12.03	10.40
Stock appreciation rights	94.42	130.01
Total employee share-based payment expenses	**106.45**	**140.41**

Notes

to the financial statements for the year ended 31st March, 2024

Balance sheet

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contribution from parent	123.09	123.09
SARs Liability	152.39	151.04
Intrinsic value of liability	152.39	151.03

NOTE 33: 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.

(₹ in lakh)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current assets						
(i) Security deposits	-	-	0.10	-	-	0.10
(ii) Fixed deposits	-	-	131.48	-	-	-
Current assets						
(i) Current investments	-	-	-	1,310.56	-	-
(ii) Trade receivables	-	-	444.18	-	-	448.03
(iii) Cash and cash equivalents	-	-	0.10	-	-	680.35
(iv) Bank balance other than (iii) above	-	-	3,286.29	-	-	909.73
(v) Other current financial assets	-	-	27.61	-	-	41.15
Total financial assets	**-**	**-**	**3,889.76**	**1,310.56**	**-**	**2,079.26**
Financial liabilities						
Current liabilities						
(i) Trade payables	-	-	71.89	-	-	98.75
Total financial liabilities	**-**	**-**	**71.89**	**-**	**-**	**98.75**

B. FAIR VALUE

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

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Current assets								
(i) Current investments	-	-	-	-	1,310.56	-	-	1,310.56
Total financial assets	**-**	**-**	**-**	**-**	**1,310.56**	**-**	**-**	**1,310.56**

Notes

to the financial statements for the year ended 31st March, 2024

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

(₹ in lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Non-current assets				
(i) Security deposits	0.10	0.10	0.10	0.10
(ii) Fixed deposits	131.48	131.48	-	-
Current assets				
(i) Trade receivables	444.18	444.18	448.03	448.03
(ii) Cash and cash equivalents	0.10	0.10	680.35	680.35
(iii) Bank balance other than (ii) above	3,286.29	3,286.29	909.73	909.73
(iv) Other current financial assets	27.61	27.61	41.15	41.15
Total financial assets	**3,889.76**	**3,889.76**	**2,079.36**	**2,079.36**
Current liabilities				
(i) Trade payables	71.89	71.89	98.75	98.75
Total financial liabilities	**71.89**	**71.89**	**98.75**	**98.75**

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 year. The mutual funds are valued at the closing NAV.

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

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

The Companys policy is to recognise transfers into and transfer out of fair value heirarchy levels at the end of the reporting year.

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 in the previous year.

Notes

to the financial statements for the year ended 31st March, 2024

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

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

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

ii. Credit risk

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

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables	452.59	449.70
Security deposits	0.10	0.10
Bank balances	3,419.28	1,590.39
Other current financial assets	30.51	41.26
Total	**3,902.48**	**2,081.45**

a. Credit quality analysis

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

(₹ in lakh)

Particulars	Lifetime ECL (simplified approach)	
	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
0-30 days	405.75	423.04
Past due 31–90 days	21.24	23.71
Past due 90 days	25.61	2.95
	452.59	**449.70**
Less: Impairment loss allowance	(8.41)	(1.67)
Carrying amount	**444.18**	**448.03**

Notes

to the financial statements for the year ended 31st March, 2024

Based on impairment model

(₹ in lakh)

Particulars	As at 31st March, 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Security deposits				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	-	-	0.10
Less: Impairment loss allowance	(0.06)	-	-	(0.06)
Carrying amount	**0.04**	**-**	**-**	**0.04**
Bank balances				
Past due 1–30 days	3,419.28	-	-	3,419.28
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	3,419.28	**-**	**-**	**3,419.28**
Less: Impairment loss allowance	(1.35)	-	-	(1.35)
Carrying amount	**3,417.93**	**-**	**-**	**3,417.93**
Other current financial assets				
Past due 1–30 days	30.51	-	-	30.51
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	30.51	**-**	**-**	**30.51**
Less: Impairment loss allowance	(2.90)	-	-	(2.90)
Carrying amount	**27.61**	**-**	**-**	**27.61**
Carrying amount	**3,445.58**	**-**	**-**	**3,445.58**

(₹ in lakh)

Particulars	As at 31st March, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Security deposits				
Past due 1–30 days	0.10	-	-	0.10
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	0.10	**-**	**-**	**0.10**
Less: Impairment loss allowance	-	-	-	-
Carrying amount	**0.10**	**-**	**-**	**0.10**
Bank balances				
Past due 1–30 days	1,590.39	-	-	1,590.39
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	1,590.39	**-**	**-**	**1,590.39**

Notes

to the financial statements for the year ended 31st March, 2024

Particulars	As at 31st March, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Less: Impairment loss allowance	(0.31)	-	-	(0.31)
Carrying amount	**1,590.08**	**-**	**-**	**1,590.08**
Other current financial assets				
Past due 1–30 days	41.26	-	-	41.26
Past due 31–90 days	-	-	-	-
Past due 90 days	-	-	-	-
	41.26	**-**	**-**	**41.26**
Less: Impairment loss allowance	(0.11)	-	-	(0.11)
Carrying amount	**41.15**	**-**	**-**	**41.15**
Carrying amount	**1,631.33**	**-**	**-**	**1,631.33**

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 investment management and advisory services provided over the historic period before the reporting date and the corresponding historic credit losses experienced within this period.

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

Assumption considered in the ECL model:

- Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs.
- Probability of default (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- Exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

Forward looking information:

The Company incorporates forward looking information into 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.

Notes

to the financial statements for the year ended 31st March, 2024

ii. Impairment loss allowance

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

(₹ in lakh)

Particulars	Past due 1–30 days	Past due 31–90 days	Past due more than 90 days
Trade receivables			
Balance as at 1st April, 2022	**4.74**	**0.67**	**-**
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	1.67	-	-
Write-off during the year	-	-	-
Financial assets that have been derecognised during the period	(4.74)	(0.67)	-
Balance as at 31st March, 2023	**1.67**	**-**	**-**
Net remeasurement of loss allowance	-	-	-
New financial assets originated during the year	8.41	-	-
Write-off during the year	-	-	-
Financial assets that have been derecognised during the period	(1.67)	-	-
Balance as at 31st March, 2024	**8.41**	**-**	**-**

(₹ in lakh)

Particulars	Bank balances	Other current financial assets
Balance as at 1st April, 2022	**0.26**	**(0.36)**
Net remeasurement of loss allowance	(0.57)	0.25
New financial assets originated during the year	-	-
Balance as at 31st March, 2023	**(0.31)**	**(0.11)**
Net remeasurement of loss allowance	1.66	3.01
New financial assets originated during the year	-	-
Balance as at 31st March, 2024	**1.35**	**2.90**

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.

Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

Sr. No.	Particulars	Carrying Amount	Total	Upto 1 month	1-3 Months
	As at 31st March, 2024				
	Financial liabilities				
(i)	Trade Payables				
	(A) total outstanding dues of micro enterprises and small enterprises	0.04	0.04	0.04	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	71.85	71.85	71.85	-
	Carrying Amount	**71.89**	**71.89**	**71.89**	**-**

(₹ in lakh)

Sr. No.	Particulars	Carrying Amount	Total	Upto 1 month	1-3 Months
	As at 31st March, 2023				
	Non-derivative 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	98.75	98.75	98.75	-
	Carrying Amount	**98.75**	**98.75**	**98.75**	**-**

NOTE 34: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company monitors its capital on a regular basis. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital during the year ended 31st March, 2024 and 31st March, 2023.

NOTE 35: DISCLOSURE ON AMOUNTS DUE TO MSME UNDERTAKING

(₹ in lakh)

	Particulars	31st March, 2024	31st March, 2023
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.02	**-**
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.02	**-**
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 36: 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 37: RATIOS

Particulars	Numerator	Denominator	Current Year	Previous Year	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current ratio (times)	Current assets	Current liabilities	8.87	9.05	-1.96%	NA
Profitability ratio						
Net profit ratio (%)	Profit after tax	Total income	27.29%	23.98%	13.79%	NA
Return on equity ratio (%)	Profit after tax	Average Shareholder's equity	15.44%	11.32%	36.39%	Increase is due to sale of mutual fund investment during the year.
Return on Capital employed (%)	Earning before interest and tax	Capital employed (tangible net worth + total debt + deferred tax liability)	18.93%	14.37%	31.76%	Due to increase in fixed deposits with banks and sale of investments
Return on investments (%)	Income from investments	Average fair value of investments	1.71%	5.76%	-70.27%	Due to sale of mutual fund investment during the year.
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net credit sales	Average Trade Receivables	3.62	3.87	-6.31%	NA
Net capital turnover ratio (times)	Net sales	Working Capital	0.48	0.49	-1.23%	NA

NOTE 38: AUDIT TRAIL

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one accounting software hosted by third-party service providers for maintaining its books of account, the Service Orgnaization Control Report was not available to check whether the audit trail was enabled or not as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes at the database level. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31st March, 2024.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 39: CONTINGENT LIABILITIES

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Tax Demand		
- Service tax demand	7.24	-
Total	**7.24**	**-**

NOTE 40: REVENUE FROM CONTRACTS WITH CUSTOMERS

A) THE COMPANY HAS RECOGNISED FOLLOWING AMOUNTS RELATING TO REVENUE IN THE STATEMENT OF PROFIT AND LOSS:

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from contracts with customers	1,616.86	1,337.21
Other income	218.11	141.55
Total revenue	**1,834.97**	**1,478.76**
Impairment loss on receivables	2.85	(3.73)

B) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

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

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Primary Geographical Market		
India	1,616.86	1,337.21
Total	**1,616.86**	**1,337.21**
Major products/service lines		
Trusteeship fees	1,616.86	1,337.21
Total	**1,616.86**	**1,337.21**
Timing of revenue recognition		
At a point in time	738.30	609.70
Over a period of time	878.56	727.51
Total	**1,616.86**	**1,337.21**

C) CONTRACT BALANCES

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

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Receivables	444.18	448.03

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

Notes
to the financial statements for the year ended 31st March, 2024

NOTE 41: MCA Notification Dated 24th March, 2021 for amendments to Schedule III Disclosures which are Not Applicable and Other Statutory Information

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

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

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

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

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

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

iii) Title deeds of Immovable Property not held in name of the Company - Not applicable as there are no immovable properties.

iv) Details of Benami Property and its proceedings- Not applicable as there are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

v) Wilful Defaulter - The Company has no loans from Banks or Financial Institution and hence the Company has not been classified as a wilful defaulter.

vi) Relationship with Struck off Companies - As per section 248 of the Companies Act, 2013, there are no transactions as well as no balances outstanding with struck off companies.

vii) Compliance with number of layers of companies - Not Applicable as the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

viii) Compliance with approved Scheme(s) of Arrangements - Not Applicable as the Company has no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

ix) Details of Crypto Currency or Virtual Currency - Not Applicable as the Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

x) There were no whistle blower complaints received by the Company during the year.

xi) The Company does not have any such transaction which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

xii) The Company does not have any capital work-in-progress and intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 42: The figures of the corresponding year has been regrouped / reclassified wherever necessary, to make them comparable.

For and on behalf of the Board of Directors of
Kotak Mahindra Trusteeship Services Limited

Shivaji Dam Director DIN: 00032568	**Gautami Gavankar** Director DIN: 10546984
Mumbai Dated: 10th May, 2024	Mumbai Dated: 10th May, 2024

Kotak Estate Planning

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Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Kotak Mahindra Bank Website: www.kotak.com

CIN: U65991MH2000PLC125008