

Price Waterhouse Chartered Accountants LLP

The Board of Directors
M/s. Kotak Mahindra Investments Limited
27BKC, C 27, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Independent Auditors' Report on the Statement of standalone financial results

1. We have audited the accompanying Statement containing the annual audited standalone financial results of Kotak Mahindra Investments Limited (the "Company") for the year ended March 31, 2019 together with the notes thereon (hereinafter referred to as the "Statement"), which we have initialed under reference to this report.

Management's Responsibility for the standalone financial results

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited standalone financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Statement, together with the notes thereon are presented in the format prescribed under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) the Annual audited standalone financial results for the year ended March 31, 2019 as set out in the Statement gives a true and fair view of the total comprehensive income (comprising of profit and other comprehensive income), and other financial information of the Company for the year ended March 31, 2019 in accordance with the accounting principles generally accepted in India.

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex
Gate No. 3 Western Express Highway, Goregaon East, Mumbai - 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Kotak Mahindra Investments Limited

Report on the statement of standalone financial results

Page 2 of 2

Emphasis of Matter

7. We draw your attention to Note 3 of the Statement regarding the figures for the half year ended March 31, 2019 and March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the half year ended September 30, 2018 and September 30, 2017 respectively. Our opinion is not modified in respect of this matter.

Other Matter

8. The Statement dealt with by this report has been prepared for the express purpose of filing with BSE Limited. This Statement is based on and should be read with the audited financial statements of the company for the year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated May 14, 2019.
9. The financial information of the Company for the year ended March 31, 2018 referred to in paragraph 7 above are based on the previously issued statutory financial statements for the years ended March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion vide our report dated April 27, 2018. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

Restriction on Use

10. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 8 above. This report should not be otherwise used by any other party for any other purpose.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Sharad Vasant

Partner

Membership Number: 101119

Mumbai

May 15, 2019

Kotak Mahindra Investments Limited

Regd. Office : 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

CIN : U65900MH1988PLC047986

Website: www.kotak.com Telephone: 91 22 61660000

Statement of Financial Results for the year ended March 31, 2019
Statement of Profit and Loss

Rs. in Lakhs

Sr.No.	Particulars	Half Year ended		Year ended	
		(31/03/2019) (Unaudited)	(31/03/2018) (Unaudited)	(31/03/2019) (Audited)	(31/03/2018) (Audited)
I	Revenue from operations				
	Interest Income	48,670.08	42,021.62	91,536.86	81,496.60
	Dividend Income	125.94	22.35	125.94	22.35
	Fees and commission Income	443.27	586.25	557.89	1,089.60
	Net gain on financial Instrument measured at fair value	1,501.47	6,565.97	3,728.04	8,018.52
	Total Revenue from operations	50,740.76	49,196.19	95,948.73	90,627.07
II	Other Income	107.33	123.25	209.51	229.77
III	Total Income (I+II)	50,848.09	49,319.44	96,158.24	90,856.84
IV	Expenses				
	Finance Cost	29,769.37	25,632.48	56,941.82	49,085.79
	Impairment on financial instrument	1,033.85	568.60	2,614.31	135.27
	Employee Benefit expenses	1,394.00	1,317.71	2,726.51	2,688.73
	Depreciation & amortisation	58.00	37.48	88.00	70.57
	Other Expenses	1,735.39	1,203.95	2,948.02	2,161.18
	Total Expenses	33,990.61	28,760.22	65,318.66	54,141.54
V	Profit/(loss) before tax (III-IV)	16,857.48	20,559.22	30,839.58	36,715.30
VI	Tax Expense:				
	(1) Current Tax	(6,237.33)	(7,069.68)	(11,294.93)	(12,450.69)
	(2) Deferred Tax	383.49	485.40	513.36	243.92
	Total tax expense (1+2)	(5,853.84)	(6,584.28)	(10,781.57)	(12,206.77)
VII	Profit/(loss) for the period (V - VI)	11,003.64	13,974.94	20,058.01	24,508.53
VIII	Other Comprehensive Income				
A	(i) Item that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans (net of Tax)	(16.81)	(17.25)	(29.64)	(17.57)
B	(i) Item that will be reclassified to profit or loss				
	- Debt Instruments through Other Comprehensive Income (net of Tax)	(106.49)	(70.62)	(473.07)	(258.76)
	Other Comprehensive Income (A+B)	(123.30)	(87.87)	(502.71)	(276.33)
IX	Total Comprehensive Income for the period (VII+VIII)	10,880.34	13,887.07	19,555.30	24,232.20
X	Earnings per share (not annualised) - Basic and Diluted	195.70	268.28	356.74	470.49

See accompanying note to financial results



Balance Sheet		Rs. in Lakhs	
Sr.No.	Particulars	Year ended (31/03/2019) (Audited)	Year ended (31/03/2018) (Audited)
A	ASSETS		
1	Financial assets		
	(a) Cash and cash equivalents	27,418.60	25,710.47
	(b) Bank Balance other than cash and cash equivalents	22,798.78	10,378.77
	(c) Receivables		
	(i) Trade receivables	540.02	1,475.79
	(ii) Other receivables	181.24	22.00
	(d) Loans	874,210.27	761,121.88
	(e) Investments	100,948.93	78,353.97
	(f) Other Financial assets	110.15	0.17
	Total financial assets	1,026,207.99	877,063.05
2	Non-financial assets		
	(a) Current Tax assets (Net)	472.90	191.93
	(b) Deferred Tax assets (Net)	2,656.84	1,873.47
	(c) Property, Plant and Equipment	198.72	74.80
	(d) Intangible assets under development	6.00	-
	(e) Other intangible assets	16.23	21.11
	(f) Other Non-financial assets	311.23	204.37
	Total Non-financial assets	3,661.92	2,365.68
	Total Assets (1+2)	1,029,869.91	879,428.73
B	LIABILITIES AND EQUITY		
1	Financial liabilities		
	(a) Payables		
	(i) Trade payables - Total Outstanding dues of creditors other than Micro enterprises and small enterprises	526.46	951.40
	(ii) Other payables - Total Outstanding dues of creditors other than Micro enterprises and small enterprises	378.29	138.05
	(b) Debt securities	297,777.68	163,897.49
	(c) Borrowings (Other than Debt Securities)	549,826.27	553,739.26
	(d) Subordinated Liabilities	20,239.09	20,237.25
	(e) Other Financial liabilities	207.69	292.15
	Total financial liabilities	868,955.48	739,255.60
2	Non-Financial liabilities		
	(a) Current tax liabilities (Net)	1,651.85	1,598.22
	(b) Provisions	492.23	396.67
	(c) Other non-financial liabilities	1,310.30	393.40
	Total Non-financial liabilities	3,454.38	2,388.29
3	EQUITY		
	(a) Equity Share Capital	562.26	562.26
	(b) Other equity	156,897.79	137,222.58
	Total equity	157,460.05	137,784.84
	Total Liabilities and equity (1+2+3)	1,029,869.91	879,428.73

- 1] The financial results of Kotak Mahindra Investments Limited have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind-AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind-AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('The RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP').

Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017. Comparative previous period as presented in these financial results has been restated/reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2019 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. The figures have been presented in accordance with the format prescribed in Division III of the Schedule III of the Companies Act 2013.

- 2] The above results have been reviewed by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on May 14, 2019.
- 3] The figures for the six months ended 31/03/2019 and 31/03/2018 are the balancing figures between audited figures in respect of the full financial year and the year to date figures upto the first six months ended of the relevant financial year.



Kotak Mahindra Investments Limited

Regd. Office : 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

CIN : U65900MH1988PLC047986

Website: www.kotak.com Telephone: 91 22 61660000

Statement of Audited Financial Results for the year ended March 31, 2019

4)

Reconciliation of net Profit after tax between Previous GAAP and Ind AS for the half year ended and year ended March 31, 2018

S.No.		Rs. In Lakhs	
		Half Year ended March 31, 2018	Year ended March 31, 2018
	Net Profit after tax as reported under previous GAAP	14,539.86	24,497.16
A	Amortization of processing fee on corporate loans based on effective interest rate which was previously recognised as revenue in the period of accrual	(711.05)	(537.15)
B	Amortization of borrowing expenses on effective interest rate method which was previously recognised as expenditure	65.88	51.59
C	Change in provision on application of expected credit loss model	(188.98)	550.61
D	Actuarial loss on employee defined benefit plan recognised in 'Other Comprehensive Income' as per Ind AS 19	26.51	27.00
E	Changes in fair value of investments/financial instruments previously recorded at cost less other than temporary diminution	55.39	30.34
F	Other Adjustments	(102.68)	(71.42)
G	Deferred Tax impact on above adjustments	290.02	(39.60)
	Net profit after tax as per Ind AS	13,974.94	24,508.53
	Other comprehensive income, net of tax	(87.87)	(276.33)
	Total comprehensive income under Ind AS	13,887.07	24,232.20


5) In accordance with Ind AS 101, reconciliation of equity as previously reported under IGAAP and as per Ind AS as at 1st Apr 2017 and 31st Mar 2018 is presented below:

S.No.		Rs. In Lakhs	
		As At March 31, 2018	As At April 01, 2017
	Equity under Previous GAAP	138,251.85	103,754.69
A	Amortization of processing fee on corporate loans based on effective interest rate which was previously recognised as revenue in the period of accrual	(4,790.52)	(4,253.37)
B	Amortization of borrowing expenses on effective interest rate method which was previously recognised as expenditure	240.23	188.63
C	Change in provision on application of expected credit loss model	918.53	352.60
D	Changes in fair value of investments/financial instruments previously recorded at cost less other than temporary diminution	2,315.01	2,690.48
E	Other Adjustments	273.99	269.37
F	Deferred Tax impact on above adjustments	575.75	472.89
	Equity under Ind AS	137,784.84	103,475.29

6) The previously issued comparative financial information of the Company for the half year ended 31 March 2018 and for the year ended 31 March 2018 included in the above results have been prepared after adjusting the impact disclosed in the note 4 & Note 5 above.

7) These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016.

For and on behalf of the Board of Directors
Kotak Mahindra Investments Limited


KVS Manian
(Director)
(DIN:00031794)

