

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Mahindra Asset Management Company Private Limited**

### **Report on the Audit of the Ind AS Financial Statements Opinion**

We have audited the Ind AS financial statements of **Mahindra Asset Management Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The company's Board of Directors is responsible for the other information. The other information comprises the Board report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies

Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing 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 Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B. K. Khare & Co.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kaicker**  
Partner  
Membership No. 044784  
Mumbai, April 17, 2019

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Asset Management Private Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of 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 Ind AS financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

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

**For B. K. Khare & Co.**  
Chartered Accountants  
(Firm’s Registration No. 105102W)

**Padmini Khare Kaicker**  
Partner  
Membership No. 044784  
Mumbai, April 17, 2019

## ANNEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements of **Mahindra Asset Management Company Private Limited** for the year ended March 31, 2019

### Annexure to the Auditor's Report referred to in our report of even date:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) These fixed assets were physically verified by the Management during the year at reasonable intervals and discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.
- (c) The Company has no immovable properties and hence Clause 3(i)(c) is not applicable to the Company
- II. On facts, Clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- III. No parties are covered in the register maintained under section 189 of Companies Act, 2013 by the Company. Therefore, clauses 3(iii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us the provisions of section 186 of the Companies Act, 2013 have been complied with.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The clause 3(v), therefore is not applicable to the Company.
- VI. On facts, clause 3(vi) relating to maintenance of cost records is not applicable to the Company.
- VII. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, value added tax, and other statutory dues applicable to it with the concerned authorities. Also, refer note no. 32 of the financial statements.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Goods and Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, excise duty, customs duty and value added tax and cess which have not been deposited on account of any dispute.
- VIII. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, Government or bank or debenture-holders as at the Balance Sheet date.
- IX. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.
- X. On the basis of our examination of the relevant records of the Company, carried out in accordance with generally accepted auditing practices and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. The Company is not a 'Nidhi Company', therefore, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XIII. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable. The Company has disclosed the details of transactions with related parties in the Financial Statements as required by the applicable accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit; therefore, clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- XV. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- XVI. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. K. Khare & Co.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kaicker**  
Partner  
Membership No.044784  
Mumbai, April 17, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**

| Particulars  | Note No.          | Rs in lakhs            |                        |                        |
|--|-------------------|------------------------|------------------------|------------------------|
|  |                   | As at<br>31 March 2019 | As at<br>31 March 2018 | As at<br>01 April 2017 |
| <b>ASSETS</b>  |                   |                        |                        |                        |
| <b>Financial Assets</b>  |                   |                        |                        |                        |
| a) Cash and cash equivalents   | 1                 | 5.52                   | 3.41                   | 4.11                   |
| b) Receivables   | 2                 |                        |                        |                        |
| i) Trade Receivables   |                   | 152.52                 | 300.09                 | 16.04                  |
| c) Loans   | 3                 | –                      | 100.00                 | 200.00                 |
| d) Investments   | 4                 | 5,648.31               | 5,367.26               | 6,365.83               |
| e) Other Financial assets  | 5                 | 230.68                 | 225.72                 | 206.87                 |
|  |                   | <u>6,037.03</u>        | <u>5,996.48</u>        | <u>6,792.85</u>        |
| <b>Non-financial Assets</b>  |                   |                        |                        |                        |
| a) Current tax assets (Net)  | 6                 | 386.84                 | 224.49                 | 37.08                  |
| b) Property, Plant and Equipment   | 7                 | 168.82                 | 195.53                 | 158.33                 |
| c) Other Intangible assets   | 8                 | 11.39                  | 32.16                  | 39.76                  |
| d) Other non-financial assets  | 9                 | 243.23                 | 391.26                 | 168.43                 |
|  |                   | <u>810.28</u>          | <u>843.44</u>          | <u>403.60</u>          |
| <b>Total Assets</b>  |                   | <u>6,847.31</u>        | <u>6,839.92</u>        | <u>7,196.45</u>        |
| <b>LIABILITIES AND EQUITY</b>  |                   |                        |                        |                        |
| <b>LIABILITIES</b>   |                   |                        |                        |                        |
| <b>Financial Liabilities</b>   |                   |                        |                        |                        |
| a) Payables  | 10                |                        |                        |                        |
| i) Trade Payables  |                   |                        |                        |                        |
| i) total outstanding dues of micro and small enterprises                       |                   | 23.61                  | 27.42                  | 8.85                   |
| ii) total outstanding dues of creditors other than micro and small enterprises |                   | 126.54                 | 683.35                 | 222.87                 |
| b) Other financial liabilities   | 11                | 421.67                 | 214.92                 | 263.40                 |
|  |                   | <u>571.82</u>          | <u>925.69</u>          | <u>495.12</u>          |
| <b>Non-financial Liabilities</b>   |                   |                        |                        |                        |
| a) Provisions  | 12                | 428.76                 | 80.80                  | 38.56                  |
| b) Other non-financial liabilities   | 13                | 104.37                 | 105.79                 | 43.36                  |
|  |                   | <u>533.13</u>          | <u>186.59</u>          | <u>81.92</u>           |
| <b>EQUITY</b>  |                   |                        |                        |                        |
| a) Equity Share capital  | 14A               | 16,000.00              | 12,000.00              | 9,100.00               |
| b) Other Equity  | 14B               | (10,257.64)            | (6,272.36)             | (2,480.59)             |
|  |                   | <u>5,742.36</u>        | <u>5,727.64</u>        | <u>6,619.41</u>        |
| <b>Total Liabilities and Equity</b>  |                   | <u>6,847.31</u>        | <u>6,839.92</u>        | <u>7,196.45</u>        |
| <b>Summary of significant accounting policies</b>                              | <b>I &amp; II</b> |                        |                        |                        |

The accompanying notes form an integral part of the financial statements.  
As per our report of even date attached.

**For B. K. KHARE & CO.**

Chartered Accountants  
Firm's Registration No: 105102W

**Padmini Khare Kaicker**  
Partner

Membership No. 44784

Place : Mumbai  
Date : April 17, 2019

For and on behalf of the Board of Directors

**Mahindra Asset Management Company Private Limited**

**V. Ravi**  
Chairman  
[DIN: 00307328]

**Sanjay Parikh**  
Chief Financial Officer

**Ashutosh Bishnoi**  
Managing Director & CEO  
[DIN: 02926849]

**Ravi Dayma**  
Company Secretary

**Chitra Andrade**  
Independent Director  
[DIN: 08090478]

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

| Particulars   | Note No. | Rs in lakhs                 |                             |
|---|----------|-----------------------------|-----------------------------|
|   |          | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
| <b>I. Revenue from operations</b>   |          |                             |                             |
| i) Fees and commission Income   | 15       | 2,306.75                    | 1,862.03                    |
| <b>I. Total Revenue from operations</b>                                       |          | <u>2,306.75</u>             | <u>1,862.03</u>             |
| <b>II. Other income</b>   | 16       | 504.29                      | 492.68                      |
| <b>III. Total Revenue (I + II)</b>  |          | <u>2,811.04</u>             | <u>2,354.71</u>             |
| <b>Expenses:</b>  |          |                             |                             |
| i) Employee Benefits Expenses   | 17       | 3,402.87                    | 1,851.74                    |
| ii) Brokerage and commission expense  | 18       | 1,200.11                    | 2,018.92                    |
| iii) Finance costs  | 19       | 7.10                        | -                           |
| iv) Depreciation, amortization and impairment                                 | 20       | 109.49                      | 83.82                       |
| v) Other expenses   | 21       | 2,040.22                    | 2,143.43                    |
| <b>IV Total Expenses (IV)</b>   |          | <u>6,759.79</u>             | <u>6,097.91</u>             |
| <b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>             |          | <u>(3,948.75)</u>           | <u>(3,743.20)</u>           |
| <b>VI. Exceptional items</b>  |          | -                           | -                           |
| <b>VII. Profit/(loss) before tax (V-VI )</b>                                  |          | <u>(3,948.75)</u>           | <u>(3,743.20)</u>           |
| <b>VIII. Tax expense:</b>   |          |                             |                             |
| i) Current tax  |          | -                           | -                           |
| ii) Deferred tax  |          | -                           | -                           |
| <b>IX. Profit/(loss) for the period from continuing operations (VII-VIII)</b> |          | <u>(3,948.75)</u>           | <u>(3,743.20)</u>           |
| <b>X. Profit/(loss) from discontinued operations</b>                          |          | -                           | -                           |
| <b>XI. Tax expense of discontinued operations</b>                             |          | -                           | -                           |
| <b>XII. Profit/(loss) from discontinued operations(After tax) (X-XI)</b>      |          | -                           | -                           |
| <b>XIII. Profit/(loss) for the period (IX+XII)</b>                            |          | <u>(3,948.75)</u>           | <u>(3,743.20)</u>           |

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019 (CONTINUED)**

| Particulars  | Note No.          | Rs in lakhs                 |                             |
|--|-------------------|-----------------------------|-----------------------------|
|  |                   | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
| <b>XIV. Other Comprehensive Income</b>   | <b>22</b>         |                             |                             |
| (A) i) Items that will not be reclassified to profit or loss   |                   | <b>(4.03)</b>               | (7.67)                      |
| - Remeasurement gain/(loss) on defined benefit plans   |                   | <b>(4.03)</b>               | (7.67)                      |
| ii) Income tax impact thereon  |                   |                             |                             |
| <b>Total Other Comprehensive Income</b>  |                   | <b>(4.03)</b>               | (7.67)                      |
| <b>XV. Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b> |                   | <b>(3,952.78)</b>           | (3,750.87)                  |
| <b>XVI. Earnings per equity share (for continuing operations)</b>  |                   |                             |                             |
| Basic (Rupees)   | <b>23</b>         | <b>(2.76)</b>               | (3.62)                      |
| Diluted (Rupees)   |                   | <b>(2.76)</b>               | (3.62)                      |
| <b>XVII. Earnings per equity share (for discontinued operations)</b>   |                   |                             |                             |
| Basic (Rupees)   |                   | -                           | -                           |
| Diluted (Rupees)   |                   | -                           | -                           |
| <b>XVII. Earnings per equity share (for continuing and discontinued operations)</b>  |                   |                             |                             |
| Basic (Rupees)   |                   | <b>(2.76)</b>               | (3.62)                      |
| Diluted (Rupees)   |                   | <b>(2.76)</b>               | (3.62)                      |
| <b>Summary of significant accounting policies</b>  | <b>I &amp; II</b> |                             |                             |

The accompanying notes form an integral part of the financial statements.  
As per our report of even date attached.

**For B. K. KHARE & CO.**

Chartered Accountants  
Firm's Registration No: 105102W

**Padmini Khare Kaicker**  
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2019

For and on behalf of the Board of Directors

**Mahindra Asset Management Company Private Limited**

**V. Ravi**  
Chairman  
[DIN: 00307328]

**Sanjay Parikh**  
Chief Financial Officer

**Ashutosh Bishnoi**  
Managing Director & CEO  
[DIN: 02926849]

**Ravi Dayma**  
Company Secretary

**Chitra Andrade**  
Independent Director  
[DIN: 08090478]

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

## A. Equity share capital

| Particulars                                     | Rs. in Lakhs     |
|---|------------------|
|   | Amount           |
| <b>As at 1 April 2017</b>                       | 9,100.00         |
| Changes in equity share capital during the year | 2,900.00         |
| <b>As at 31 March 2018</b>                      | 12,000.00        |
| Changes in equity share capital during the year | 4,000.00         |
| <b>As at 31 March 2019</b>                      | <b>16,000.00</b> |

## B. Other Equity

| Particulars                             | Rs. in Lakhs                               |   | Total              |
|---|--|---|--------------------|
|   | Reserves and Surplus                       | Other Comprehensive Income (OCI)                  |                    |
|   | Retained earnings or Profit & loss account | Remeasurement loss (net) on defined benefit plans |                    |
| <b>Balance as at 01 April 2017</b>      | (2,480.59)                                 | –   | (2,480.59)         |
| Profit / (Loss) for the year            | (3,743.20)                                 | –   | (3,743.20)         |
| Other Comprehensive Income              | –  | (7.67)  | (7.67)             |
| Total Comprehensive Income for the year | (3,743.20)                                 | (7.67)  | (3,750.87)         |
| Share issue expenses                    | (40.90)                                    | –   | (40.90)            |
| <b>Balance as at 31 March 2018</b>      | <b>(6,264.69)</b>                          | <b>(7.67)</b>                                     | <b>(6,272.36)</b>  |
| Profit / (Loss) for the year            | (3,948.75)                                 | –   | (3,948.75)         |
| Other Comprehensive Income              | –  | (4.03)  | (4.03)             |
| Total Comprehensive Income for the year | (3,948.75)                                 | (4.03)  | (3,952.78)         |
| Share issue expenses                    | (32.50)                                    | –   | (32.50)            |
| <b>Balance as at 31 March 2019</b>      | <b>(10,245.94)</b>                         | <b>(11.70)</b>                                    | <b>(10,257.64)</b> |

The accompanying statement of significant accounting policies and notes 1 to 32 are an integral part of the Financial Statements.

As per our report of even date attached.

**For B. K. KHARE & CO.**

Chartered Accountants  
Firm's Registration No: 105102W

**Padmini Khare Kaicker**  
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2019

For and on behalf of the Board of Directors

**Mahindra Asset Management Company Private Limited**

**V. Ravi**  
Chairman  
[DIN: 00307328]

**Sanjay Parikh**  
Chief Financial Officer

**Ashutosh Bishnoi**  
Managing Director & CEO  
[DIN: 02926849]

**Ravi Dayma**  
Company Secretary

**Chitra Andrade**  
Independent Director  
[DIN: 08090478]

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

|  | <b>Rs in lakhs</b>   |                      |
|--|----------------------|----------------------|
|  | <b>Year ended</b>    | <b>Year ended</b>    |
|  | <b>31 March 2019</b> | <b>31 March 2018</b> |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                      |                      |
| <b>Loss before exceptional items and taxes</b>                     | <b>(3,948.75)</b>    | <b>(3,743.20)</b>    |
| <b>Adjustments to reconcile Loss before tax to net cash flows:</b> |                      |                      |
| <b>Add: Non-cash expenses</b>                                      |                      |                      |
| Depreciation, amortization and impairment                          | <b>109.49</b>        | 83.82                |
| Remeasurement gain/(loss) on defined benefit plans                 | <b>(4.03)</b>        | (7.67)               |
|  | <b>105.46</b>        | 76.15                |
| <b>Less: Income considered separately</b>                          |                      |                      |
| Net gain on fair value changes (unrealised) - Mutual fund units    | <b>(26.47)</b>       | (18.01)              |
| Income from investing activities                                   | <b>(427.52)</b>      | (420.62)             |
| (Net gain)/loss on derecognition of property, plant and equipment  | <b>1.50</b>          | 0.25                 |
| Net gain on sale investments                                       | <b>(50.30)</b>       | (54.05)              |
|  | <b>(502.79)</b>      | (492.43)             |
| <b>Operating Loss before working capital changes</b>               | <b>(4,346.08)</b>    | <b>(4,159.48)</b>    |
| <b>Changes in -</b>  |                      |                      |
| Trade receivables  | <b>147.57</b>        | (284.05)             |
| Loans  | <b>100.00</b>        | 100.00               |
| Interest accrued on investments                                    | <b>0.05</b>          | (0.73)               |
| Interest accrued on other deposits                                 | <b>7.27</b>          | 7.27                 |
| Other financial assets   | <b>(12.27)</b>       | (25.41)              |
| Other non-financial assets   | <b>148.03</b>        | (222.83)             |
| Trade Payables   | <b>(560.61)</b>      | 479.06               |
| Other financial liabilities  | <b>206.75</b>        | (48.48)              |
| Other non-financial liabilities                                    | <b>(1.42)</b>        | 62.43                |
| Provisions   | <b>347.96</b>        | 42.25                |
| <b>Cash used in operations</b>                                     | <b>383.33</b>        | 109.51               |
| Income taxes paid (net of refunds)                                 | <b>(162.35)</b>      | (187.41)             |
| <b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>                   | <b>(4,125.10)</b>    | <b>(4,237.38)</b>    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                      |                      |
| Purchase of Property, plant and equipment and intangible assets    | <b>(63.54)</b>       | (113.69)             |
| Proceeds from sale of Property, plant and equipment                | <b>0.02</b>          | -                    |
| Purchase of investments at FVOCI                                   | <b>-</b>             | (9.60)               |
| Purchase of investments at FVTPL                                   | <b>(8,064.00)</b>    | (4,927.00)           |
| Proceeds from sale of investments at FVTPL                         | <b>7,859.71</b>      | 6,007.24             |
| Interest income received on investments measured at amortised cost | <b>427.52</b>        | 420.62               |
| <b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)</b>  | <b>159.71</b>        | <b>1,377.57</b>      |

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (CONTINUED)**

|   | <b>Rs in lakhs</b>                  |                             |
|---|-------------------------------------|-----------------------------|
|   | <b>Year ended<br/>31 March 2019</b> | Year ended<br>31 March 2018 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                                     |                             |
| Proceeds from issue of Equity shares (net of issue expenses)                | <b>3,967.50</b>                     | 2,859.10                    |
| <b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)</b>           | <b>3,967.50</b>                     | 2,859.10                    |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>         | <b>2.11</b>                         | (0.71)                      |
| <b>Cash and Cash Equivalents at the beginning of the year</b>               | <b>3.41</b>                         | 4.11                        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note. no. 1)</b> | <b>5.52</b>                         | 3.41                        |
| <b>Components of Cash and Cash Equivalents</b>                              |                                     |                             |
| <b>Particulars</b>  |                                     |                             |
| Cash and cash equivalents at the end of the year                            |                                     |                             |
| – Cash on hand  | <b>0.58</b>                         | 0.44                        |
| – Balances with banks in current accounts                                   | <b>4.94</b>                         | 2.97                        |
| <b>Total</b>  | <b>5.52</b>                         | 3.41                        |

**Notes:**

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date attached.

**For B. K. KHARE & CO.**

Chartered Accountants  
Firm's Registration No: 105102W

**Padmini Khare Kaicker**

Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2019

For and on behalf of the Board of Directors

**Mahindra Asset Management Company Private Limited****V. Ravi**

Chairman  
[DIN: 00307328]

**Sanjay Parikh**

Chief Financial Officer

**Ashutosh Bishnoi**

Managing Director & CEO  
[DIN: 02926849]

**Ravi Dayma**

Company Secretary

**Chitra Andrade**

Independent Director  
[DIN: 08090478]

## I NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Mahindra Asset Management Company Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on June 20, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The Company has a license from the Securities & Exchange Board of India to provide investment management services to the schemes of Mahindra Mutual Fund. SEBI granted the certificate of registration to Mahindra Mutual Fund on February 4, 2016. The Company earns fees from investment management activities of the schemes of Mahindra Mutual Fund. As on March 31, 2019, the Company was managing nine schemes of Mahindra Mutual Fund.

The Company's immediate parent company is Mahindra & Mahindra Financial Services Limited and its ultimate parent company is Mahindra & Mahindra Limited.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended March 31, 2018 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on an accrual basis, unless otherwise stated, and in accordance with the provisions of the Act, the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), all these were collectively named as "Previous GAAP" (IGAAP).

These are the Company's first standalone or separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from IGAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note no. 28.

#### 2.2. First-time adoption of Ind AS

##### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from IGAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the company as discussed below:

##### **Deemed cost for property, plant and equipment and intangible assets -**

The Company has elected to measure property, plant and equipment, and intangible assets at its IGAAP carrying amount and use that IGAAP carrying amount as its deemed cost at the date of transition to Ind AS.

##### **Leases**

The company has availed the exemption to assess whether an arrangement contains a lease based on facts and circumstances existing on the date of transition to Ind AS.

#### 2.3. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

#### 2.4. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

#### 2.5. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

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 and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

#### 2.6. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

##### **Fair value of financial assets, liabilities and investments**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

##### **Defined benefit obligations**

Measurement of defined benefit obligations and the actuarial assumptions around it are estimated on a reasonable basis. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### 2.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

##### **Fees from management of mutual fund schemes**

Fees from management of mutual fund schemes are recognised on an accrual basis at specific rates, applied on the average daily net assets of the schemes of Mahindra Mutual Fund in accordance with the Investment Management Agreement between the Company and the Trustees of Mahindra Mutual Fund and SEBI (Mutual Fund) Regulations, 1996 as amended from time to time.

##### **Other Income**

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on weighted average cost basis.

##### **Recognition of Dividend Income**

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

**Recognition of Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

**2.8. Property, plant and equipment ('PPE')**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

Motor vehicles where useful life is estimated at four years as against eight years as per Schedule II since the employees to whom these vehicles have been allotted in accordance with their terms of employment are entitled to change their vehicles every four years, and

Fixed assets having value individually less than Rs 5,000 are fully depreciated in the period of purchase.

Further, residual value for all assets is considered as zero due to the difficulty in estimating the same and in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

Accordingly, useful life of assets is estimated as follows:

|                   |            |
|-------------------|------------|
| Employee vehicles | – 4 Years  |
| Computer          | – 3 Years  |
| Furniture         | – 10 Years |
| Office Equipment  | – 5 Years  |

Assets costing less than Rs 5,000 < 1 year

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income/netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

**2.9. Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

**2.10. Foreign exchange transactions and translations**

**Initial recognition**

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

**Conversion**

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**2.11. Financial instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**Classification and subsequent measurement Financial assets**

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Accordingly, the Company measures investment in Non-Convertible debentures at amortised cost. Interest income, impairment are recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long- term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

**Financial liabilities and equity instruments**

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 the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expense 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.

**De-recognition of financial assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**Impairment of non financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash

flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier. The reversal of an impairment loss is recognised in Statement of Profit and Loss.

**2.12. Employee Benefits**

**Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

**Contribution to provident fund**

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

**Gratuity**

The Company's liability towards gratuity scheme is determined by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

**Remeasurement gains/losses**

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

**Superannuation fund**

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation under this scheme beyond its contribution.

**Leave encashment/compensated absences/sick leave**

The Company provides for the encashment/availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation using projected unit credit method.

**Employee Share based payments**

Cash-settled share-based payments to employees are measured at the fair value of the equity instruments at each reporting date. Any change in fair value is recognized for the vested period in the Statement of Profit and Loss for the period.

**2.13. Scheme related expenses**

Expenses of schemes of Mahindra Mutual Fund in excess of the limits in accordance with the SEBI (Mutual Fund) Regulations, 1996 are borne by the Company and are recognised in the Statement of Profit and Loss. Further, as per SEBI circular dated October 22, 2018, all scheme related expenses subsequent to that date are to be borne by the mutual fund schemes. As a result, the investment management fees subsequent to this date are received net of all scheme expenses. Prior to this date, the Company was bearing all the scheme related expenses and to that extent was in receipt of higher investment management fees from the schemes of Mahindra Mutual Fund. Hence, the investment management fees and the scheme related expenses for this year are not comparable with that of last year.

**New Fund Offer ('NFO') expenses**

Expenses pertaining to NFO are charged to the Statement of Profit and Loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations 1996, as amended from time to time.

**2.14. Finance Costs**

Finance costs include interest expense accrued on a time basis, by reference to the principal outstanding.

**2.15. Income taxes****Current tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

**Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.16. Securities issue expenses**

Expenses incurred in connection with fresh issue of Share capital are accounted for as a deduction from other equity as per the provisions of Ind AS 32 – Financial Instruments Presentation.

**2.17. Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.18. Leasing****Where the Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the tenure of the lease.

**2.19. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares, etc 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 net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3. Recent Accounting Pronouncements: Standards issued but not yet effective**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116, Leases and consequential amendments to various Ind AS standards. The amendments are effective from accounting periods beginning from April 1, 2019.

**Ind AS 116 Leases**

The Company is required to adopt Ind AS 116, Leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

**II. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**1. Cash and cash equivalents**

| Particulars                             | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Cash on hand                            | 0.58                   | 0.44                   | -                     |
| Balances with banks in current accounts | 4.94                   | 2.97                   | 4.11                  |
| <b>Total</b>                            | <b>5.52</b>            | <b>3.41</b>            | <b>4.11</b>           |

**2. Receivables**

| Particulars   | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1 April<br>2017 |
| <b>i) Trade receivables</b>                               |                        |                        |                       |
| Unsecured, considered good:                               |                        |                        |                       |
| - Debts outstanding for a period not exceeding six months | 152.52                 | 300.09                 | 16.04                 |
| <b>Total</b>  | <b>152.52</b>          | <b>300.09</b>          | <b>16.04</b>          |

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable is due within one month from the date of the invoice.

**3. Loans**
**A) At Fair Value**

i) Through Other Comprehensive Income

**Unquoted Investment in Equity Shares**

Equity Investment in MF Utilities India Pvt Ltd (Face value of Rs. 1/- each)

| Particulars   | As at 31<br>March 2019 | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 31<br>March 2018 | As at 1<br>April 2017 | As at 1<br>April 2017 |
|---|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
|   | Units                  | NAV<br>(Rs in lakhs)   | Units                  | NAV<br>(Rs in lakhs)   | Units                 | NAV<br>(Rs in lakhs)  |
|   | 5,00,000               | 9.60                   | 5,00,000               | 9.60                   | -                     | -                     |
| <b>ii) Through Profit or Loss</b>   |                        |                        |                        |                        |                       |                       |
| <b>Unquoted Investment in Mutual Fund</b>   |                        |                        |                        |                        |                       |                       |
| Mahindra Liquid Fund -Direct Growth (Face value of Rs. 1000/- each)                                       | 34,168                 | 413.92                 | 11,342                 | 127.53                 | 53,517                | 563.34                |
| Mahindra Low Duration - Direct Growth (Face value of Rs. 1000/- each)                                     | 12,478                 | 145.90                 | 29,044                 | 314.06                 | 98,549                | 995.34                |
| Mahindra Kar Bachat Yojana - Direct Growth (Face value of Rs. 10/- each)                                  | 5,00,000               | 61.13                  | 5,00,000               | 59.00                  | 5,00,000              | 55.69                 |
| Mahindra Dhan Sanchay Yojana - Direct Growth (Face value of Rs. 10/- each)                                | 5,00,000               | 58.56                  | 5,00,000               | 55.81                  | 5,00,000              | 51.46                 |
| Mahindra Badhat Yojana - Direct Growth (Face value of Rs. 10/- each)                                      | 5,00,000               | 56.58                  | 5,00,000               | 53.63                  | -                     | -                     |
| Mahindra Unnati Emerging Business Yojana - Direct Growth (Face value of Rs. 10/- each)                    | 5,00,000               | 48.21                  | 5,00,000               | 47.63                  | -                     | -                     |
| Mahindra Credit Risk Yojana - Direct Growth (Face value of Rs. 10/- each)                                 | 5,00,000               | 52.45                  | -                      | -                      | -                     | -                     |
| Mahindra Rural Bharat Consumption Yojana - Direct Growth (Face value of Rs. 10/- each)                    | 5,00,000               | 51.44                  | -                      | -                      | -                     | -                     |
| Mahindra Pragati Bluechip Yojana - Direct Growth (Face value of Rs. 10/- each)                            | 5,00,000               | 50.52                  | -                      | -                      | -                     | -                     |
| Total (Gross)   |                        | 948.31                 |                        | 667.26                 |                       | 1,665.83              |
| Less : Impairment loss allowance  |                        | -                      |                        | -                      |                       | -                     |
| <b>Total (Net) - A</b>  |                        | <b>948.31</b>          |                        | <b>667.26</b>          |                       | <b>1,665.83</b>       |
| <b>B) At Amortised cost</b>   |                        |                        |                        |                        |                       |                       |
| Secured redeemable non-convertible debentures   |                        |                        |                        |                        |                       |                       |
| 8.9% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each) | 300                    | 3,000.00               | 300                    | 3,000.00               | 300                   | 3,000.00              |
| 8.4% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each) | 170                    | 1,700.00               | 170                    | 1,700.00               | 170                   | 1,700.00              |
| Total (Gross)   |                        | 4,700.00               |                        | 4,700.00               |                       | 4,700.00              |
| Less : Impairment loss allowance  |                        | -                      |                        | -                      |                       | -                     |
| <b>Total (Net) - B</b>  |                        | <b>4,700.00</b>        |                        | <b>4,700.00</b>        |                       | <b>4,700.00</b>       |
| Total (Gross : A+B)   |                        | 5,648.31               |                        | 5,367.26               |                       | 6,365.83              |
| Less : Impairment loss allowance  |                        | -                      |                        | -                      |                       | -                     |
| <b>Total (Net) - C</b>  |                        | <b>5,648.31</b>        |                        | <b>5,367.26</b>        |                       | <b>6,365.83</b>       |

| Particulars   | As at 31<br>March 2019               | As at 31<br>March 2018 | As at 1<br>April 2017 |
|---|--------------------------------------|------------------------|-----------------------|
|   | <b>A) Loans (at amortised cost):</b> |                        |                       |
| Inter corporate deposits to related parties                                 | -                                    | 100.00                 | 200.00                |
| Inter corporate deposits to other parties                                   | -                                    | -                      | -                     |
| <b>Total (Gross)</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| Less : Impairment loss allowance  | -                                    | -                      | -                     |
| <b>Total (Net)</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| <b>B) i) Unsecured</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| <b>Total (Gross)</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| Less : Impairment loss allowance  | -                                    | -                      | -                     |
| <b>Total (Net)</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| <b>C) i) Loan receivables considered good - Secured</b>                     | <b>-</b>                             | <b>-</b>               | <b>-</b>              |
| <b>ii) Loan receivables considered good - Unsecured</b>                     | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| <b>iii) Loan receivables which have significant increase in credit risk</b> | <b>-</b>                             | <b>-</b>               | <b>-</b>              |
| <b>iv) Loan receivables - credit impaired</b>                               | <b>-</b>                             | <b>-</b>               | <b>-</b>              |
| <b>Total (Gross)</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| Less : Impairment loss allowance  | -                                    | -                      | -                     |
| <b>Total</b>  | <b>-</b>                             | <b>100.00</b>          | <b>200.00</b>         |
| <b>4. Investments</b>   |                                      |                        |                       |

**5. Other financial assets**

| Particulars                                  | Rs in lakhs            |                        |                       |
|--|------------------------|------------------------|-----------------------|
|  | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Interest accrued on investments              | 156.83                 | 156.88                 | 156.15                |
| Interest accrued on other deposits           | –                      | 7.27                   | 14.55                 |
| Other Receivables                            | 2.87                   | –                      | –                     |
| Security Deposits for office premises/others | 70.98                  | 61.57                  | 36.17                 |
| <b>Total</b>                                 | <b>230.68</b>          | <b>225.72</b>          | <b>206.87</b>         |

**7. Property, Plant and Equipments**
**As at 31 March 2019**

| Asset Description                 | GROSS BLOCK AT COST    |              |                            |                        | DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS |              |                            |                        | NET BLOCK              |                        |
|-----------------------------------|------------------------|--------------|----------------------------|------------------------|---|--------------|----------------------------|------------------------|------------------------|------------------------|
|                                   | As at<br>01 April 2018 | Additions    | Deductions/<br>adjustments | As at 31<br>March 2019 | As at<br>01 April 2018                        | Additions    | Deductions/<br>adjustments | As at 31<br>March 2019 | As at 31<br>March 2019 | As at<br>01 April 2018 |
| Computers                         | 81.14                  | 15.66        | –                          | 96.80                  | 31.99   | 30.13        | –                          | 62.12                  | 34.68                  | 49.16                  |
| Furniture and fixtures            | 28.46                  | 4.07         | 1.78                       | 30.75                  | 3.79  | 3.08         | 0.26                       | 6.61                   | 24.14                  | 24.67                  |
| Vehicles                          | 168.08                 | 40.26        | 4.57                       | 203.77                 | 64.19   | 49.18        | 4.57                       | 108.80                 | 94.98                  | 103.89                 |
| Office equipments                 | 24.27                  | 2.35         | –                          | 26.62                  | 6.46  | 5.13         | –                          | 11.59                  | 15.03                  | 17.81                  |
| Vehicles given on operating lease |                        |              |                            |                        |   |              |                            |                        |                        |                        |
| <b>Total</b>                      | <b>301.95</b>          | <b>62.34</b> | <b>6.35</b>                | <b>357.94</b>          | <b>106.43</b>                                 | <b>87.52</b> | <b>4.83</b>                | <b>189.12</b>          | <b>168.82</b>          | <b>195.53</b>          |

**As at 31 March 2018**

| Asset Description                 | GROSS BLOCK AT COST    |               |                            |                        | DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS |              |                            |                        | NET BLOCK              |                        |
|-----------------------------------|------------------------|---------------|----------------------------|------------------------|---|--------------|----------------------------|------------------------|------------------------|------------------------|
|                                   | As at<br>01 April 2017 | Additions     | Deductions/<br>adjustments | As at 31<br>March 2018 | As at<br>01 April 2017                        | Additions    | Deductions/<br>adjustments | As at 31<br>March 2018 | As at 31<br>March 2018 | As at<br>01 April 2018 |
| Computers                         | 57.99                  | 23.47         | 0.32                       | 81.14                  | 8.74  | 23.31        | 0.06                       | 31.99                  | 49.16                  | 49.25                  |
| Furniture and fixtures            | 17.01                  | 11.45         | –                          | 28.46                  | 1.25  | 2.54         | –                          | 3.79                   | 24.67                  | 15.75                  |
| Vehicles                          | 108.81                 | 59.27         | –                          | 168.08                 | 28.63   | 35.56        | –                          | 64.19                  | 103.89                 | 80.18                  |
| Office equipments                 | 15.57                  | 8.70          | –                          | 24.27                  | 2.43  | 4.03         | –                          | 6.46                   | 17.81                  | 13.14                  |
| Vehicles given on operating lease |                        |               |                            |                        |   |              |                            |                        |                        |                        |
| <b>Total</b>                      | <b>199.38</b>          | <b>102.89</b> | <b>0.32</b>                | <b>301.95</b>          | <b>41.05</b>                                  | <b>65.43</b> | <b>0.06</b>                | <b>106.43</b>          | <b>195.53</b>          | <b>158.33</b>          |

**8. Other Intangible Assets**
**As at 31 March 2019**

| Asset Description | GROSS BLOCK AT COST    |             |                            |                        | AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS |              |                            |                        | NET BLOCK              |                        |
|-------------------|------------------------|-------------|----------------------------|------------------------|---|--------------|----------------------------|------------------------|------------------------|------------------------|
|                   | As at<br>01 April 2018 | Additions   | Deductions/<br>adjustments | As at 31<br>March 2019 | As at<br>01 April 2018                        | Additions    | Deductions/<br>adjustments | As at 31<br>March 2019 | As at 31<br>March 2019 | As at<br>01 April 2018 |
| Computer software | 65.40                  | 1.20        | –                          | 66.60                  | 33.23   | 21.97        | –                          | 55.20                  | 11.39                  | 32.16                  |
| <b>Total</b>      | <b>65.40</b>           | <b>1.20</b> | <b>–</b>                   | <b>66.60</b>           | <b>33.23</b>                                  | <b>21.97</b> | <b>–</b>                   | <b>55.20</b>           | <b>11.39</b>           | <b>32.16</b>           |

**As at 31 March 2018**

| Asset Description | GROSS BLOCK AT COST    |              |                            |                        | AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS |              |                            |                        | NET BLOCK              |                        |
|-------------------|------------------------|--------------|----------------------------|------------------------|---|--------------|----------------------------|------------------------|------------------------|------------------------|
|                   | As at<br>01 April 2017 | Additions    | Deductions/<br>adjustments | As at 31<br>March 2018 | As at<br>01 April 2017                        | Additions    | Deductions/<br>adjustments | As at 31<br>March 2018 | As at 31<br>March 2018 | As at<br>01 April 2018 |
| Computer software | 54.60                  | 10.80        | –                          | 65.40                  | 14.84   | 18.39        | –                          | 33.23                  | 32.16                  | 39.76                  |
| <b>Total</b>      | <b>54.60</b>           | <b>10.80</b> | <b>–</b>                   | <b>65.40</b>           | <b>14.84</b>                                  | <b>18.39</b> | <b>–</b>                   | <b>33.23</b>           | <b>32.16</b>           | <b>39.76</b>           |

**9. Other non-financial assets**

| Particulars   | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Capital advances  | –                      | –                      | 8.72                  |
| Prepaid expenses  | 71.24                  | 56.44                  | 43.26                 |
| Balances with Government Authorities                    | 164.16                 | 183.92                 | 46.45                 |
| Receivable from Managing Director & CEO (Refer Note 29) | –                      | 144.94                 | –                     |
| Other advances  | 7.83                   | 5.96                   | 70.00                 |
| <b>Total</b>  | <b>243.23</b>          | <b>391.26</b>          | <b>168.43</b>         |

**6. Current tax assets**

| Particulars   | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| (i) Tax deducted / collected at source net of provision for taxes | 386.84                 | 224.49                 | 37.08                 |
| <b>Total</b>  | <b>386.84</b>          | <b>224.49</b>          | <b>37.08</b>          |
| (ii) Unused tax losses - Revenue in nature                        |                        |                        |                       |
| Particulars   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Expiry period   |                        |                        |                       |
| Upto Five years   | 442.03                 | 2.40                   | 0.49                  |
| More than Five years  | 9,084.06               | 5,848.45               | 2,356.95              |
| No Expiry Date  | 180.98                 | 118.94                 | 58.32                 |
| <b>Total</b>  | <b>9,707.07</b>        | <b>5,969.79</b>        | <b>2,415.76</b>       |

**Rs in lakhs**

**10. Trade Payables**

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

| Particulars   | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| <b>Total outstanding dues of Micro and small enterprises</b>  |                        |                        |                       |
| a) Dues remaining unpaid to any supplier at the year end  |                        |                        |                       |
| – Principal   | 23.61                  | 27.42                  | 8.85                  |
| – Interest on the above   | –                      | –                      | –                     |
| b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year     | –                      | –                      | –                     |
| – Principal paid beyond the appointed date  | –                      | –                      | –                     |
| – Interest paid in terms of section 16 of the MSMED Act   | –                      | –                      | –                     |
| c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year                                     | –                      | –                      | –                     |
| d) Amount of interest accrued and remaining unpaid at the year end  | –                      | –                      | –                     |
| e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises | –                      | –                      | –                     |
| <b>Total outstanding dues of creditors other than micro and small enterprises</b>   | 126.54                 | 683.35                 | 222.87                |
| <b>Total</b>  | <b>150.15</b>          | <b>710.77</b>          | <b>231.72</b>         |

**14A. Equity Share capital**

| Particulars   | As at 31<br>March 2019     | As at 31<br>March 2019     | As at 31<br>March 2018     | As at 31<br>March 2018     | As at 1<br>April 2017     | As at 1<br>April 2017     |
|---|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
|   | No. of shares<br>in lakhs  | Rs in lakhs                | No. of shares<br>in lakhs  | Rs in lakhs                | No. of shares<br>in lakhs | Rs in lakhs               |
| <b>Authorised capital :</b>   |                            |                            |                            |                            |                           |                           |
| Equity shares of Rs.10/- each   | 1,800.00                   | 18,000.00                  | 1,500.00                   | 15,000.00                  | 1,100.00                  | 11,000.00                 |
| <b>Issued capital :</b>   |                            |                            |                            |                            |                           |                           |
| Equity shares of Rs.10/- each   | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| <b>Subscribed and paid-up capital :</b>   |                            |                            |                            |                            |                           |                           |
| Equity shares of Rs.10/- each   | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| Total   | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| <b>Particulars</b>  | <b>As at 31 March 2019</b> | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> | <b>As at 31 March 2018</b> | <b>As at 1 April 2017</b> | <b>As at 1 April 2017</b> |
|   | No. of shares<br>in lakhs  | Rs in lakhs                | No. of shares<br>in lakhs  | Rs in lakhs                | No. of shares<br>in lakhs | Rs in lakhs               |
| a) Reconciliation of number of equity shares  |                            |                            |                            |                            |                           |                           |
| Balance at the beginning of the year  | 1,200.00                   | 12,000.00                  | 910.00                     | 9,100.00                   | 605.50                    | 6,055.00                  |
| Add : Fresh allotment of shares :   |                            |                            |                            |                            |                           |                           |
| - Shares issued during the year   | 400.00                     | 4,000.00                   | 290.00                     | 2,900.00                   | 304.50                    | 3,045.00                  |
| Balance at the end of the year  | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/associates : |                            |                            |                            |                            |                           |                           |
| Holding and ultimate holding company,   |                            |                            |                            |                            |                           |                           |
| Mahindra & Mahindra Financial Services Limited  | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| Percentage of holding (100%)  |                            |                            |                            |                            |                           |                           |
| c) Shareholders holding more than 5 percent shares:   |                            |                            |                            |                            |                           |                           |
| Mahindra & Mahindra Financial Services Limited  | 1,600.00                   | 16,000.00                  | 1,200.00                   | 12,000.00                  | 910.00                    | 9,100.00                  |
| Percentage of holding (100%)  |                            |                            |                            |                            |                           |                           |
| d) The Company has only one class of equity shares having a par value of Rs.10/- per share.   |                            |                            |                            |                            |                           |                           |

**11. Other financial liabilities**

| Particulars                                     | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Provision for Salary, Bonus and performance pay | 414.09                 | 213.93                 | 258.49                |
| Provision for expenses                          | 7.58                   | 0.99                   | 4.91                  |
| <b>Total</b>                                    | <b>421.67</b>          | <b>214.92</b>          | <b>263.40</b>         |

**12. Provisions**

| Particulars                             | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Provision for employee benefits         |                        |                        |                       |
| – Gratuity                              | 33.62                  | 8.94                   | 9.45                  |
| – Leave encashment                      | 114.11                 | 71.86                  | 29.11                 |
| – Share based compensation to employees | 281.03                 | –                      | –                     |
| <b>Total</b>                            | <b>428.76</b>          | <b>80.80</b>           | <b>38.56</b>          |

**13. Other non-financial liabilities**

| Particulars                            | Rs in lakhs            |                        |                       |
|--|------------------------|------------------------|-----------------------|
|  | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| TDS Payable                            | 65.01                  | 38.31                  | 34.90                 |
| GST Payable                            | 24.58                  | 55.79                  | –                     |
| Other statutory dues and taxes payable | 14.78                  | 11.69                  | 8.46                  |
| <b>Total</b>                           | <b>104.37</b>          | <b>105.79</b>          | <b>43.36</b>          |

**14B. Other Equity**

| Particulars   | Rs in lakhs            |                        |                       |
|---|------------------------|------------------------|-----------------------|
|   | As at 31<br>March 2019 | As at 31<br>March 2018 | As at 1<br>April 2017 |
| Description of the nature and purpose of Other Equity : |                        |                        |                       |
| Retained earnings or Profit & loss account              | (10,257.64)            | (6,272.36)             | (2,480.59)            |
| <b>Total</b>  | <b>(10,257.64)</b>     | <b>(6,272.36)</b>      | <b>(2,480.59)</b>     |

**15. Fees and commission income**

| Particulars  | Rs in lakhs                            |  |
|--|--|--|
|  | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Fees earned from management of mutual fund schemes | 2,306.75                               | 1,862.03                               |
| <b>Total</b>                                       | <b>2,306.75</b>                        | <b>1,862.03</b>                        |

The SEBI Mutual Fund Regulations, 1996 allow an Asset Management Company to charge expenses, including investment management fees, upto 2.5 percent of net assets of equity schemes and 0.25% lower expenses to other schemes. The Company used to charge investment management fees to the schemes of Mahindra Mutual Fund in accordance with these Regulations. Marketing and distribution expenses as well as other operational expenses were borne by the Company. On October 22, 2018, SEBI issued circular number SEBI/HO/IMD/DF2/CIR/P/2018/137 stating that all scheme related expenses including commission paid to distributors shall be paid from the schemes only and not from the books of the Asset Management Company. Accordingly, after October 22, 2018, scheme related expenses, including commission to distributors, are paid from the books of the schemes. This has resulted in reduction in the investment management fees earned by the Company from the schemes and also a reduction in the scheme related expenses incurred by the Company which are now borne by the schemes. To this extent, the fees income of this year is not comparable with the previous year since the Company used to charge higher investment management fees to the schemes and bear scheme related expenses.

**16. Other income**

| Particulars   | Rs in lakhs                            |  |
|---|--|--|
|   | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Interest income on financial instruments measured at amortised cost | 427.52                                 | 420.62                                 |
| Net profit/(loss) on sale of investments                            | 50.30                                  | 54.05                                  |
| <b>Net gain/(loss) on fair value changes</b>                        |  |  |
| A) Net gain/(loss) on financial instruments at FVTPL                |  |  |
| i) On trading portfolio   |  |  |
| - Unrealised gain on Investments                                    | 26.47                                  | 18.01                                  |
| <b>Total</b>  | <b>504.29</b>                          | <b>492.68</b>                          |

**17. Employee benefits expenses**

| Particulars                                     | Rs in lakhs                            |  |
|---|--|--|
|   | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Salaries and wages                              | 2,996.24                               | 1,755.46                               |
| Contribution to provident funds and other funds | 110.09                                 | 87.85                                  |
| Share based compensation to employees           | 281.03                                 | -                                      |
| Staff welfare expenses                          | 15.51                                  | 8.43                                   |
| <b>Total</b>                                    | <b>3,402.87</b>                        | <b>1,851.74</b>                        |

**18. Fees and commission expense**

| Particulars   | Rs in lakhs                            |  |
|---|--|--|
|   | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Fees, commission/brokerage paid to mutual fund distributors | 1,200.11                               | 2,018.92                               |
| <b>Total</b>  | <b>1,200.11</b>                        | <b>2,018.92</b>                        |

**19. Finance costs**

| Particulars   | Rs in lakhs                            |  |
|---|--|--|
|   | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| <b>i) On financial instruments measured at Amortised cost</b>                             |  |  |
| Other interest expense  | 7.10                                   | -                                      |
| <b>ii) On financial instruments measured at fair value through profit or loss (FVTPL)</b> |  |  |
| Interest expense on financial liabilities designated at FVTPL                             | -                                      | -                                      |
| <b>Total</b>  | <b>7.10</b>                            | <b>-</b>                               |

**20. Depreciation, amortization and impairment**

| Particulars                                      | Rs in lakhs                            |  |
|--|--|--|
|  | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Depreciation on Property, Plant and Equipment    | 87.52                                  | 65.43                                  |
| Amortization and impairment of intangible assets | 21.97                                  | 18.39                                  |
| <b>Total</b>                                     | <b>109.49</b>                          | <b>83.82</b>                           |

**21. Other expenses**

| Particulars                              | Rs in lakhs                            |  |
|--|--|--|
|  | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| Rent, taxes and energy costs             | 189.22                                 | 179.21                                 |
| Repairs and maintenance                  | 27.90                                  | 19.62                                  |
| Communication Costs                      | 89.79                                  | 158.61                                 |
| Printing and stationery                  | 15.30                                  | 19.92                                  |
| Advertisement and publicity              | 331.59                                 | 513.37                                 |
| Marketing Expenses                       | 258.15                                 | 208.69                                 |
| Directors' fees, allowances and expenses | 18.70                                  | 14.92                                  |
| Auditor's fees and expenses -            |  |  |
| - Audit fees                             | 4.50                                   | 3.00                                   |
| - Taxation matters                       | -                                      | 0.25                                   |
| - Company law matters                    | -                                      | 0.25                                   |
| - Other services                         | 0.75                                   | 0.90                                   |
| - Reimbursement of expenses              | 0.18                                   | 0.24                                   |
| Legal and professional charges           | 150.32                                 | 88.69                                  |
| Insurance                                | 50.14                                  | 29.51                                  |
| Manpower outsourcing cost                | 95.28                                  | 60.26                                  |
| Distributor Training expenses            | 283.46                                 | 264.81                                 |
| Registrar & Transfer Agent fees          | 69.81                                  | 82.58                                  |
| Conference & Seminar expenses            | 63.81                                  | 58.77                                  |
| Membership & Subscription fees           | 83.97                                  | 74.64                                  |
| Travelling & Conveyance expenses         | 120.37                                 | 156.83                                 |
| Other expenditure                        | 186.98                                 | 208.36                                 |
| <b>Total</b>                             | <b>2,040.22</b>                        | <b>2,143.43</b>                        |

Previous year's figures have been regrouped/reclassified wherever found necessary.

**22. Other Comprehensive Income**

| Particulars  | Rs in lakhs                            |  |
|--|--|--|
|  | For the year<br>ended 31<br>March 2019 | For the year<br>ended 31<br>March 2018 |
| A) (i) Items that will not be reclassified to profit or loss |  |  |
| - Changes in revaluation surplus                             | -                                      | -                                      |
| - Remeasurement gain/(loss) on defined benefit plans         | (4.03)                                 | (7.67)                                 |
| - Net gain/(loss) on equity instruments through OCI          | -                                      | -                                      |
| (ii) Income tax impact thereon                               | -                                      | -                                      |
| <b>Total Other Comprehensive Income</b>                      | <b>(4.03)</b>                          | <b>(7.67)</b>                          |

**23. Earning Per Share (EPS)**

| Particulars  | Rs in lakhs         |                     |
|--|---------------------|---------------------|
|  | As at 31 March 2019 | As at 31 March 2018 |
| Profit/(Loss) for the year   | <b>(3,948.75)</b>   | (3,743.20)          |
| Weighted average number of Equity Shares used in computing basic EPS   | <b>1,430.41</b>     | 1,032.90            |
| Effect of potential dilutive Equity Shares                             |                     |                     |
| Weighted average number of Equity Shares used in computing diluted EPS | <b>1,430.41</b>     | 1,032.90            |
| Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)      | <b>(2.76)</b>       | (3.62)              |
| Diluted Earnings per share (Rs.)                                       | <b>(2.76)</b>       | (3.62)              |

**24. Statement of Changes in Equity**

**A. Equity Share Capital**

| Particulars                                     | Rs in lakhs      |
|---|------------------|
|   | Amount           |
| <b>As at 1 April 2017</b>                       | <b>9,100.00</b>  |
| Changes in equity share capital during the year | 2,900.00         |
| <b>As at 31 March 2018</b>                      | <b>12,000.00</b> |
| Changes in equity share capital during the year | 4,000.00         |
| <b>As at 31 March 2019</b>                      | <b>16,000.00</b> |

**B. Other Equity**

Rs in lakhs

| Particulars                                    | Reserves and Surplus   |                             |                    |                  |                                     |                                    |                              |  | Other Comprehensive Income (OCI)                  | Total              |
|--|--|-----------------------------|--------------------|------------------|-------------------------------------|------------------------------------|------------------------------|--|---|--------------------|
|  | Statutory reserves as per Section 45-IC of the RBI Act, 1934 | Capital redemption reserves | Securities premium | General reserves | Debenture Redemption Reserves (DRR) | Employee stock options outstanding | Any other reserves (specify) | Retained earnings or Profit & loss account | Remeasurement loss (net) on defined benefit plans |                    |
| <b>Balance as at 01 April 2017</b>             |  |                             |                    |                  |                                     |                                    |                              | (2,480.59)                                 | -   | (2,480.59)         |
| Profit/(Loss) for the year                     | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (3,743.20)                                 | -   | (3,743.20)         |
| Other Comprehensive Income                     | -  | -                           | -                  | -                | -                                   | -                                  | -                            | -  | (7.67)  | (7.67)             |
| <b>Total Comprehensive Income for the year</b> | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (3,743.20)                                 | (7.67)  | (3,750.87)         |
| Share issue expenses                           | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (40.90)                                    | -   | (40.90)            |
| <b>Balance as at 31 March 2018</b>             | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (6,264.69)                                 | (7.67)  | (6,272.36)         |
| Profit/(Loss) for the year                     | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (3,948.75)                                 | -   | -                  |
| Other Comprehensive Income                     | -  | -                           | -                  | -                | -                                   | -                                  | -                            | -  | (4.03)  | (4.03)             |
| <b>Total Comprehensive Income for the year</b> | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (3,948.75)                                 | (4.03)  | (3,952.78)         |
| Share issue expenses                           | -  | -                           | -                  | -                | -                                   | -                                  | -                            | (32.50)                                    | -   | (32.50)            |
| <b>Balance as at 31 March 2019</b>             | -  | -                           | -                  | -                | -                                   | -                                  | -                            | <b>(10,245.94)</b>                         | <b>(11.70)</b>                                    | <b>(10,257.64)</b> |

**25. Employee benefits**

Details of defined benefit plans as per actuarial valuation are as follows:

| Particulars  | Funded Plan<br>Gratuity<br>Year ended 31 March |         |        | Unfunded Plans<br>Exigency leave/Earned leave<br>Year ended 31 March |         |       |
|--|--|---------|--------|--|---------|-------|
|  | 2019   | 2018    | 2017   | 2019   | 2018    | 2017  |
| <b>Actuarial assumptions and Sensitivity</b>   |  |         |        |  |         |       |
| <b>I. Actuarial assumptions</b>  |  |         |        |  |         |       |
| Discount Rate (p.a.)   | <b>7.65%</b>                                   | 7.84%   | 7.55%  | <b>7.65%</b>   | 7.84%   | 7.55% |
| Attrition rate   | <b>0-9%</b>                                    | 0-5.88% | 1-3%   | <b>0-9%</b>  | 0-5.88% | 1-3%  |
| Expected rate of return on plan assets (p.a.)  |  |         |        |  |         |       |
| Rate of Salary increase (p.a.)   | <b>7.00%</b>                                   | 7.00%   | 5.00%  | <b>7.00%</b>   | 7.00%   | 5.00% |
| In-service Mortality   | <b>100% of IALM (2006 - 08)</b>                |         |        |  |         |       |
| <b>II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:</b> |  |         |        |  |         |       |
| One percentage point increase in discount rate   | <b>(9.88)</b>                                  | (0.51)  | (0.93) | <b>(16.15)</b>   | (0.94)  |       |
| One percentage point decrease in discount rate   | <b>11.06</b>                                   | 0.52    | 0.65   | <b>17.83</b>   | 0.90    |       |
| One percentage point increase in Salary growth rate  | <b>11.02</b>                                   | 0.47    | 0.69   | <b>17.76</b>   | 0.80    |       |
| One percentage point decrease in Salary growth rate  | <b>(10.02)</b>                                 | (0.46)  | (0.88) | <b>(16.37)</b>   | (0.84)  |       |
| One percentage point increase in attrition rate  |  |         |        |  |         |       |
| One percentage point decrease in attrition rate  |  |         |        |  |         |       |
| One percentage point increase in medical inflation rate  |  |         |        |  |         |       |
| One percentage point decrease in medical inflation rate  |  |         |        |  |         |       |

| Particulars  | Funded Plan<br>Gratuity |       |       | Unfunded Plans<br>Exigency leave/Earned leave |      |      |
|--|-------------------------|-------|-------|---|------|------|
|  | Year ended 31 March     |       |       | Year ended 31 March                           |      |      |
|  | 2019                    | 2018  | 2017  | 2019  | 2018 | 2017 |
| <b>III. Maturity profile of defined benefit obligation</b> |                         |       |       |   |      |      |
| Within 1 year  | 25.17                   | 2.59  | 0.68  |   |      |      |
| Between 2 and 5 years                                      | 33.34                   | 31.33 | 14.27 |   |      |      |
| Between 6 and 9 years                                      |                         |       |       |   |      |      |
| 10 years and above   |                         |       |       |   |      |      |

Details of defined benefit plans as per actuarial valuation are as follows:

| Particulars  | Funded Plan<br>Gratuity |               |               | Unfunded Plans<br>Exigency leave/Earned leave |                |                |
|--|-------------------------|---------------|---------------|---|----------------|----------------|
|  | Year ended 31 March     |               |               | Year ended 31 March                           |                |                |
|  | 2019                    | 2018          | 2017          | 2019  | 2018           | 2017           |
| <b>I. Amounts recognised in the Statement of Profit &amp; Loss</b>                   |                         |               |               |   |                |                |
| Current service cost   | 25.85                   | 18.87         | 9.68          | 43.88   | 35.67          | 20.24          |
| Net Interest cost  | 0.70                    | 0.55          | (0.36)        | 5.63  | 2.20           | 0.35           |
| Actuarial (gain)/loss  | 4.03                    | 7.67          | 2.52          | (7.27)  | 4.89           | 4.26           |
| Adjustment due to change in opening balance of Plan assets                           | (5.90)                  | (0.74)        |               |   |                |                |
| <b>Total expenses included in employee benefits expense</b>                          | <b>24.68</b>            | <b>26.35</b>  | <b>11.83</b>  | <b>42.24</b>                                  | <b>42.76</b>   | <b>24.85</b>   |
| <b>II. Amount recognised in Other Comprehensive income</b>                           |                         |               |               |   |                |                |
| Remeasurement (gains)/losses:  |                         |               |               |   |                |                |
| a) Actuarial (gains)/losses arising from changes in -                                |                         |               |               |   |                |                |
| – demographic changes  | 0.85                    |               |               |   |                |                |
| – financial assumptions  | (2.29)                  | 6.23          | 0.92          |   |                |                |
| – experience adjustments   | 2.97                    | 0.95          | 1.08          |   |                |                |
| b) Return on plan assets, excluding amount included in net interest expense/(income) | 2.51                    | 0.49          | 0.52          |   |                |                |
| <b>Total amount recognised in other comprehensive income</b>                         | <b>4.03</b>             | <b>7.67</b>   | <b>2.52</b>   | <b>–</b>                                      | <b>–</b>       | <b>–</b>       |
| <b>III. Changes in the defined benefit obligation</b>                                |                         |               |               |   |                |                |
| Opening defined benefit obligation   | 40.90                   | 13.81         | 1.98          | 71.86   | 29.10          | 4.25           |
| Add/(less) on account of business combination/transfers                              |                         |               |               |   |                |                |
| Current service cost   | 25.85                   | 18.87         | 9.68          | 43.88   | 35.67          | 20.24          |
| Past service cost  |                         |               |               |   |                |                |
| Interest expense   | 3.21                    | 1.04          | 0.16          | 5.63  | 2.20           | 0.35           |
| Remeasurement (gains)/losses arising from changes in -                               |                         |               |               | (7.28)  | 4.89           | 4.26           |
| – demographic changes  | 0.85                    | –             | –             |   |                |                |
| – financial assumptions  | (2.29)                  | 6.23          | 0.92          |   |                |                |
| – experience adjustments   | 2.96                    | 0.95          | 1.08          |   |                |                |
| Benefits paid  |                         |               |               |   |                |                |
| Closing defined benefit obligation   | <b>71.48</b>            | <b>40.90</b>  | <b>13.81</b>  | <b>114.10</b>                                 | <b>71.86</b>   | <b>29.10</b>   |
| <b>IV. Change in the fair value of plan assets during the year</b>                   |                         |               |               |   |                |                |
| Opening Fair value of plan assets  | 31.96                   | 6.50          | 6.50          |   |                |                |
| Interest income  | 5.90                    |               |               |   |                |                |
| Expected return on plan assets   |                         |               |               |   |                |                |
| Contributions by employer  | –                       | 24.72         | –             |   |                |                |
| Adjustment due to change in opening balance of Plan assets                           | –                       | 0.74          | –             |   |                |                |
| Actual Benefits paid   |                         |               |               |   |                |                |
| Closing Fair value of plan assets  | <b>37.86</b>            | <b>31.96</b>  | <b>6.50</b>   | <b>–</b>                                      | <b>–</b>       | <b>–</b>       |
| <b>V. Net defined benefit obligation</b>   |                         |               |               |   |                |                |
| Defined benefit obligation   | 71.48                   | 40.90         | 13.81         | 114.10  | 71.86          | 29.10          |
| Fair value of plan assets  | 37.86                   | 31.96         | 6.50          | –   | –              | –              |
| Surplus/(Deficit)  | <b>(33.61)</b>          | <b>(8.94)</b> | <b>(7.31)</b> | <b>(114.10)</b>                               | <b>(71.86)</b> | <b>(29.10)</b> |
| Current portion of the above   | (3.09)                  | (1.30)        | (0.18)        | (5.24)  | (2.32)         | (0.70)         |
| Non current portion of the above   | (30.52)                 | (7.64)        | (7.13)        | (108.86)                                      | (69.54)        | (28.40)        |

**26. A) Measurement of Financial Instruments**
**i) Financial Instruments regularly measured using Fair Value - recurring items**

|  |  | Fair Value                                |                     |                     | Rs in lakhs        |                      |                        |
|--|--|---|---------------------|---------------------|--------------------|----------------------|------------------------|
| Financial assets/financial liabilities       | Financial assets/financial liabilities | Category                                  | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 | Fair value hierarchy | Valuation technique(s) |
| 1) Investment in Mutual Funds                | Financial Assets                       | Financial instrument measured at FVTPL    | 938.71              | 657.64              | 1,665.83           | Level 1              | NAV                    |
| 2) Investment in equity instruments–Unquoted | Financial Assets                       | Financial instrument designated at FVTOCI | 9.60                | 9.60                | –                  | Level 3              | Cost                   |

**ii) Financial Instruments measured at amortised cost**

|  |  | Rs in lakhs     |                 |                 |               |          |
|--|--|-----------------|-----------------|-----------------|---------------|----------|
| Particulars                                  |  | Carrying Value  | Fair value      |                 |               | Level 3  |
|  |  |                 | Fair value      | Level 1         | Level 2       |          |
| <b>As at 31 March 2019</b>                   |  |                 |                 |                 |               |          |
| <b>Financial assets</b>                      |  |                 |                 |                 |               |          |
| a) Cash and cash equivalent                  |  | 5.52            | 5.52            | 5.52            | –             | –        |
| b) Trade Receivables                         |  | 152.52          | 152.52          | –               | 152.52        | –        |
| c) Financial investments - at amortised cost |  | 4,700.00        | 4,700.00        | 4,700.00        | –             | –        |
| d) Other financial assets                    |  | 230.68          | 230.68          | 156.83          | 73.85         | –        |
| <b>Total</b>                                 |  | <b>5,088.72</b> | <b>5,088.72</b> | <b>4,862.35</b> | <b>226.38</b> | <b>–</b> |
| <b>Financial liabilities</b>                 |  |                 |                 |                 |               |          |
| a) Trade Payables                            |  | 150.15          | 150.15          | –               | 150.15        | –        |
| b) Other financial liability                 |  | 421.67          | 421.67          | –               | 421.67        | –        |
| <b>Total</b>                                 |  | <b>571.82</b>   | <b>571.82</b>   | <b>–</b>        | <b>571.82</b> | <b>–</b> |
| <b>As at 31 March 2018</b>                   |  |                 |                 |                 |               |          |
| <b>Financial assets</b>                      |  |                 |                 |                 |               |          |
| a) Cash and cash equivalent                  |  | 3.41            | 3.41            | 3.41            | –             | –        |
| b) Trade Receivables                         |  | 300.09          | 300.09          | –               | 300.09        | –        |
| c) Financial investments - at amortised cost |  | 4,700.00        | 4,700.00        | 4,700.00        | –             | –        |
| d) Other financial assets                    |  | 225.72          | 225.72          | 164.15          | 61.57         | –        |
| <b>Total</b>                                 |  | <b>5,229.21</b> | <b>5,229.21</b> | <b>4,867.56</b> | <b>361.66</b> | <b>–</b> |
| <b>Financial liabilities</b>                 |  |                 |                 |                 |               |          |
| a) Trade Payables                            |  | 710.77          | 710.77          | –               | 710.77        | –        |
| b) Other financial liability                 |  | 214.92          | 214.92          | –               | 214.92        | –        |
| <b>Total</b>                                 |  | <b>925.69</b>   | <b>925.69</b>   | <b>–</b>        | <b>925.69</b> | <b>–</b> |
| <b>As at 1 April 2017</b>                    |  |                 |                 |                 |               |          |
| <b>Financial assets</b>                      |  |                 |                 |                 |               |          |
| a) Cash and cash equivalent                  |  | 4.11            | 4.11            | 4.11            | –             | –        |
| b) Trade Receivables                         |  | 16.04           | 16.04           | –               | 16.04         | –        |
| c) Financial investments - at amortised cost |  | 4,700.00        | 4,700.00        | 4,700.00        | –             | –        |
| d) Other financial assets                    |  | 206.87          | 206.87          | 170.69          | 36.17         | –        |
| <b>Total</b>                                 |  | <b>4,927.02</b> | <b>4,927.02</b> | <b>4,874.81</b> | <b>52.21</b>  | <b>–</b> |
| <b>Financial liabilities</b>                 |  |                 |                 |                 |               |          |
| a) Trade Payables                            |  | 231.72          | 231.72          | –               | 231.72        | –        |
| b) Other financial liability                 |  | 263.40          | 263.40          | –               | 263.40        | –        |
| <b>Total</b>                                 |  | <b>495.12</b>   | <b>495.12</b>   | <b>–</b>        | <b>495.12</b> | <b>–</b> |

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

There were no transfers between Level 1 and Level 2 during the year.

**26. B) Liquidity Risk Management**
**i) Maturity profile of non-derivative financial liabilities**

| Particulars                                 | Rs in lakhs      |           |                    |                   |
|---|------------------|-----------|--------------------|-------------------|
|   | Less than 1 Year | 1-3 Years | 3 Years to 5 Years | 5 years and above |
| <b>Non-derivative financial liabilities</b> |                  |           |                    |                   |
| <b>As at 31 March 2019</b>                  |                  |           |                    |                   |
| Trade Payables                              | 150.15           | -         | -                  | -                 |
| Other financial liabilities                 | 421.67           | -         | -                  | -                 |
| <b>Total</b>                                | <b>571.82</b>    |           |                    |                   |
| <b>As at 31 March 2018</b>                  |                  |           |                    |                   |
| Trade Payables                              | 710.77           | -         | -                  | -                 |
| Other financial liabilities                 | 214.92           | -         | -                  | -                 |
| <b>Total</b>                                | <b>925.69</b>    |           |                    |                   |
| <b>As at 1 April 2017</b>                   |                  |           |                    |                   |
| Trade Payables                              | 231.72           | -         | -                  | -                 |
| Other financial liabilities                 | 263.40           | -         | -                  | -                 |
| <b>Total</b>                                | <b>495.12</b>    |           |                    |                   |

**ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:**

| Particulars                                     | Rs in lakhs              |                          |                          |                          |  |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
|   | Holding Company          |                          | Ultimate Holding Company |                          | Fellow Subsidiaries/<br>Associate Companies/<br>Associate Joint Ventures |                          | Key Management Personnel |                          |
|   | Year ended 31 March 2019 | Year ended 31 March 2018 | Year ended 31 March 2019 | Year ended 31 March 2018 | Year ended 31 March 2019   | Year ended 31 March 2018 | Year ended 31 March 2019 | Year ended 31 March 2018 |
| <b>Inter-corporate deposit placed</b>           |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra Rural Housing Finance Ltd              |                          |                          |                          |                          | 900.00   |                          |                          |                          |
| <b>Inter-corporate deposit matured</b>          |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra Rural Housing Finance Ltd              |                          |                          |                          |                          | 1,000.00   | 100.00                   |                          |                          |
| <b>Inter-corporate deposit taken and repaid</b> |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra & Mahindra Financial Services Ltd      | 1,000.00                 |                          |                          |                          |  |                          |                          |                          |
| <b>Issue of Equity Shares</b>                   |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra & Mahindra Financial Services Ltd      | 4,000.00                 | 2,900.00                 |                          |                          |  |                          |                          |                          |
| <b>Purchase of fixed assets</b>                 |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra & Mahindra Ltd                         |                          |                          |                          | 18.95                    |  |                          |                          |                          |
| <b>Interest income</b>                          |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra Rural Housing Finance Ltd              |                          |                          |                          |                          | 427.52   | 420.62                   |                          |                          |
| <b>Interest expense</b>                         |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra & Mahindra Financial Services Ltd      | 7.10                     |                          |                          |                          |  |                          |                          |                          |
| <b>Other expenses</b>                           |                          |                          |                          |                          |  |                          |                          |                          |
| Mahindra Holidays and Resorts India Ltd         |                          |                          |                          |                          |  |                          | 6.73                     |                          |
| Mahindra Retail Pvt Ltd                         |                          |                          |                          |                          |  | 29.84                    | 8.06                     |                          |
| Mahindra Integrated Business Solutions Pvt Ltd  |                          |                          |                          |                          |  | 4.27                     | 3.61                     |                          |
| Mahindra & Mahindra Financial Services Ltd      | 40.72                    | 60.17                    |                          |                          |  |                          |                          |                          |
| Mahindra & Mahindra Ltd                         |                          |                          | 12.99                    | 24.47                    |  |                          |                          |                          |
| <b>Remuneration</b>                             |                          |                          |                          |                          |  |                          |                          |                          |
| Managing Director & Chief Executive Officer     |                          |                          |                          |                          |  |                          |                          | 451.30                   |
|   |                          |                          |                          |                          |  |                          |                          | 124.12                   |

**27. Related party disclosures:**
**i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:**

- a) **Holding Company**  
Mahindra & Mahindra Financial Services Ltd
- b) **Ultimate Holding Company**  
Mahindra & Mahindra Ltd
- b) **Fellow Subsidiaries/Associate Companies:**  
(entities with whom the Company has transactions)  
Mahindra Integrated Business Solutions Private Limited  
Mahindra Holidays and Resorts India Limited  
Mahindra Rural Housing Finance Limited  
Mahindra Retail Private Limited
- e) **Key Management Personnel:**  
Mr. Ashutosh Bishnoi, Managing Director & Chief Executive Officer

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

iii) Balances as at the end of the year:

| Particulars  | Rs in lakhs     |          |            |                          |          |            |  |          |            |                          |          |            |
|--|-----------------|----------|------------|--------------------------|----------|------------|--|----------|------------|--------------------------|----------|------------|
|  | Holding Company |          |            | Ultimate Holding Company |          |            | Fellow Subsidiaries/<br>Associate Joint Ventures |          |            | Key Management Personnel |          |            |
|  | As at 31        | As at 31 | As at 1    | As at 31                 | As at 31 | As at 1    | As at 31   | As at 31 | As at 1    | As at 31                 | As at 31 | As at 1    |
|  | March           | March    | April 2017 | March                    | March    | April 2017 | March  | March    | April 2017 | March                    | March    | April 2017 |
| <b>Balances as at the end of the period</b>  |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| <b>Inter corporate deposits given (including interest accrued but not due)</b>     |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| Mahindra Rural Housing Finance Limited   |                 |          |            |                          |          |            | -  | 107.27   | 214.55     |                          |          |            |
| <b>Investments</b>   |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| Investments in Non convertible debentures (including interest accrued but not due) |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| Mahindra Rural Housing Finance Limited   |                 |          |            |                          |          |            | 4,856.83   | 4,856.88 | 4,856.15   |                          |          |            |
| <b>Receivable from Key Managerial Personnel</b>                                    |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| Managing Director & Chief Executive Officer  |                 |          |            |                          |          |            |  |          |            |                          |          | 144.94     |
| <b>Trade Payables</b>  |                 |          |            |                          |          |            |  |          |            |                          |          |            |
| Mahindra & Mahindra Financial Services Ltd   | 3.08            | 4.62     | 7.18       |                          |          |            |  |          |            |                          |          |            |
| Mahindra Integrated Business Solutions Private Limited                             |                 |          |            |                          |          |            | 0.29   | 0.36     |            |                          |          |            |
| Mahindra & Mahindra Ltd  |                 |          |            | 2.40                     | 7.43     | 8.03       |  |          |            |                          |          |            |

28. First time adoption of Ind AS

Reconciliations between Ind-AS and Indian GAAP (previous GAAP) for equity and profit or loss are given below.

| Particulars  | Rs in lakhs              |                       |                    |
|--|--------------------------|-----------------------|--------------------|
|  | Profit Reconciliation    | Equity Reconciliation |                    |
|  | Year ended 31 March 2018 | As at 31 March 2018   | As at 1 April 2017 |
| <b>Profit after tax/Equity as reported under previous GAAP</b>   | (3,809.74)               | 5,691.62              | 6,601.35           |
| Adjustments :  |                          |                       |                    |
| a) Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR |                          |                       |                    |
| i. Financial assets  |                          |                       |                    |
| ii. Financial liabilities  |                          |                       |                    |
| iii. Income accrued on Stage III (Impaired) assets   |                          |                       |                    |
| b) Impact on application of Expected Credit Loss method for loan loss provisions                               |                          |                       |                    |
| c) Impact on recognition of securitised loan portfolio (de-recognised in Previous GAAP)                        |                          |                       |                    |
| d) Reclassification of actuarial loss to Other Comprehensive Income  | 7.67                     |                       |                    |
| e) Unrealised gain on investment   | 17.97                    | 36.02                 | 18.06              |
| f) Share issue expenses  | 40.90                    |                       |                    |
| g) Tax impact on above adjustments   |                          |                       |                    |
| <b>Profit after tax/Equity as per Ind AS</b>   | <u>(3,743.20)</u>        | <u>5,727.64</u>       | <u>6,619.41</u>    |
| Other Comprehensive Income/(loss) (net of tax)   | (7.67)                   |                       |                    |
| <b>Total Comprehensive Income as per Ind AS</b>  | <u>(3,750.87)</u>        |                       |                    |

No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP. There are no material adjustments to the Statement of Cash Flows as reported under the previous GAAP.

29. Waiver of excess Remuneration paid to Managing Director in F.Y. 2017-18

During the year ended March 31, 2018 an amount of Rs 144.94 lakhs was determined as paid in excess to the Managing Director and Chief Executive Officer. This amount was held in trust by the Managing Director and Chief Executive Officer as permitted by Section 197(9) of the Companies Act, 2013 ('the Act'). The Company filed an application with the Central Government under Section 197 of the Act for waiver of this amount. On 12th September, 2018, the Schedule V of the Act was amended which allowed the shareholders of a company to waive the excess amount paid to a managing director. The shareholders of the Company at an extra ordinary general meeting held on October 8, 2018 waived the recovery of the excess amount of Rs 144.94 lakhs from the Managing Director and Chief Executive Officer. Accordingly, the amount of Rs 144.94 lakhs is expensed in the Statement of profit and loss for the financial year 2018-19.

30. Disclosure on Employee Share-based Compensation Scheme (Cash-settled phantom share based payments)

During the year, Company has issued Long Term Incentive Compensation Scheme (LTIC) to eligible employees based on the structure of phantom shares w.e.f. April 1, 2017. The cash-settled share-based payment transaction is measured at the fair value of the liability as per the requirements of Ind AS 102 Share-based payments. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of profit and loss for the period. Accordingly, a charge to Statement of Profit and loss for the year ended March 31, 2019 is Rs. 2.81 crores.

Summary of phantom shares:

| Particulars  | No. of phantom shares | Weighted average allocation price (Rs.) |
|--|-----------------------|---|
| Phantom shares outstanding as on 1 <sup>st</sup> April 2018  | -                     | -                                       |
| Phantom shares granted during the year                       | 77,16,919             | 2.44                                    |
| Phantom shares outstanding as on 31 <sup>st</sup> March 2019 | 77,16,919             | 2.44                                    |

**Information in respect of outstanding phantom shares as at 31<sup>st</sup> March 2019:**

| Fair Value of phantom shares at the allocation date | Range of Allocation price  | Number of Phantom shares outstanding as on 31.03.2019 | Weighted average remaining period | Fair Value of Share as on 31.03.2019 |
|---|----------------------------|---|-----------------------------------|--------------------------------------|
| Rs. 10.27   | Rs. 2.05 (at 80% discount) | 6,493,583   | 26 months                         | Rs. 9.95                             |
| Rs. 11.32   | Rs. 4.53 (at 60% discount) | 1,223,336   | 38 months                         | Rs. 9.95                             |

  

| Period of payout                             | Payout period completed as on 31.03.2019 | Payout period remaining as on 31.03.2019 | Provision (Rs. in lakhs) |
|--|--|--|--------------------------|
| April 1 2017 to March 31 2020                | 24 months                                | 12 months                                | 85.48                    |
| April 1 2017 to March 31 2021                | 24 months                                | 24 months                                | 85.23                    |
| April 1 2017 to March 31 2022                | 24 months                                | 36 months                                | 100.28                   |
| April 1 2017 to March 31 2023                | 24 months                                | 48 months                                | 10.03                    |
| <b>Total Provision made as on 31.03.2019</b> |  |  | <b>281.02</b>            |

The fair value of the company's shares has been calculated by an independent valuer and Valuation reports have been obtained for the reporting date.

Valuation of the Company has been done by applying a valuation percentage (as per industry standards) to each class of assets under management managed by the Company as on reporting date. Further the cash and cash equivalents, non-current and current investments as on reporting date are added to the value of the business to arrive at the total value of the Company. The total value of the company is divided by the total number of shares outstanding as on reporting date, to arrive at the fair value per share of the Company.

**31. Security deposits measured at amortised cost**

The Company's rent/lease agreements for the rented/leased office premises are cancellable with a notice period of 2-3 months. All the agreements are considered to be short term in nature. Accordingly, the Company has not applied the provisions of Ind AS 109 – Financial Instruments for taking the effect of fair valuation of security deposits in the financial statements and the deposits are stated at cost.

**32. Contribution to provident fund**

In a recent judgement, the Supreme Court has held that all allowances that are paid to employees, except those which relate to productivity or performance, should be included for computing the salary and allowances on which the contribution to provident fund needs to be computed. This interpretation by the Supreme Court will have an impact on the cost to the company for remuneration paid to employees. Similarly, the take home pay of employees will also be affected. The Employees Provident Fund Organisation (EPFO) has not issued any circular or clarification on this judgement. Till such clarification is issued, it is difficult to estimate the impact of the judgement on the provident fund deduction and contribution made in the past. Accordingly, the Company has not made any provision in its financial statements due to the change in the interpretation of the definition of salary.

Signatures to significant accounting policies and notes to the Financial Statements - 1 to 32.

As per our report of even date attached.

**For B. K. KHARE & CO.**

Chartered Accountants  
Firm's Registration No: 105102W

**Padmini Khare Kaicker**  
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2019

For and on behalf of the Board of Directors

**Mahindra Asset Management Company Private Limited**

**V. Ravi**  
Chairman  
[DIN: 00307328]

**Sanjay Parikh**  
Chief Financial Officer

**Ashutosh Bishnoi**  
Managing Director & CEO  
[DIN: 02926849]

**Ravi Dayma**  
Company Secretary

**Chitra Andrade**  
Independent Director  
[DIN: 08090478]