



Courage
of Conviction.
Constancy
of Change.

Directors Report

We are pleased to submit the annual report to the member of Kotak Mahindra Asset Management (Singapore) Pte. Ltd. (the Company) for the year ended 31 March 2019.

In our opinion:

- (a) The Company's accounts are drawn up in accordance with the provision of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards. The financial statements set out are presented in Indian Rupees prepared on the basis of the aforesaid accounts to comply with the requirements of section 129 of Companies Act, 2013 in India so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Mr. Nitin Jain

Mr. Ruchit Puri

Mr. Gaurang Shah

Mr. Nilesh Shah (Appointed on 10 December 2018)

Mr. Shyam Kumar (Appointed on 10 December 2018)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of director who held office at the end of the financial year had interests (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows.

Name of director and corporation in which interests are held	Holdings at beginning of the year/ on date of appointment	Holdings at end of the year
Mr Nitin Jain		
Holding Company : Kotak Mahindra Bank Limited		
- ordinary shares	211,948	211,948
Mr Ruchit Puri		
Holding Company : Kotak Mahindra Bank Limited		
- ordinary shares	135,704	135,704
Mr Gaurang Shah		
Holding Company : Kotak Mahindra Bank Limited		
- ordinary shares	854,583	843,467
- options to subscribe for ordinary shares	156,641	180,467
Mr Nilesh Shah		
Holding Company : Kotak Mahindra Bank Limited		
- ordinary shares	10,578	36,741
- options to subscribe for ordinary shares	193,982	167,819

Name of director and corporation in which interests are held	Holdings at beginning of the year/ on date of appointment	Holdings at end of the year
Mr Shyam Kumar		
Holding Company : Kotak Mahindra Bank Limited		
Interest registered in own name		
- ordinary shares	49,766	61,775
- options to subscribe for ordinary shares	38,219	24,510
Interest registered in name if immediate family member		
- ordinary shares	2,000	2,000
- options to subscribe for ordinary shares	-	-

Neither at the end of, nor at any time during the year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the year, there were no unissued shares of the Company under option.

Results and dividend

The Company's profit for the financial year ended 31 March 2019 amounted to ₹ 521,568,576 (2018: ₹ 328,149,231).

The Company declared and paid a dividend of ₹ Nil (2018: ₹ Nil) during year.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

25 April, 2019

Independent Auditor's Report

To

The Members of

Kotak Mahindra Asset Management (Singapore) Pte Limited

The financial statements of **Kotak Mahindra Management (Singapore) Pte Limited** (the "Company") as at 31st March, 2019, being a company registered in Singapore, are audited by KPMG LLP, Public Accountants & Chartered Accountants, Singapore and we have been furnished with their audit report dated 22nd April, 2019.

We are presented with the accounts in Indian Rupees prepared on the basis of aforesaid accounts to comply with requirements of section 129 of Companies Act, 2013 ("the Act"). We give our report hereunder:

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have verified the accompanying financial statements duly converted in Indian Rupees from audited accounts in USD of Kotak Mahindra Asset Management (Singapore) Pte Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2019, and its profit 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 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 on the financial statements.

KEY AUDIT MATTERS

We state that there are no key audit matters to communicate in our report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 and other relevant provisions 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our verification.

As stated hereinabove we have relied upon the audit conducted by KPMG LLP, Public Accountants & Chartered Accountants, Singapore and based thereon we state that:

We conducted our verification in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In view of the facts specified in Para 1 and 2 herein above, the requirements of Companies (Auditor's Report) Order, 2016, report under section 143(3) of the Act, report on directors disqualification in terms of subsection (2) of section 164 of the Companies Act, 2013 are not applicable.

For V. C. Shah & Co.
Chartered Accountants
Firm Registration No. 109818W

Place: Mumbai
Date: 27th April, 2019

A. N. Shah
Partner
M. No. 042649

Balance Sheet

as at 31st March, 2019

Particulars	Note No.	As at	As at
		31 March 2019	31 March 2018
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	93,970,000	93,970,000
(b) Reserves and surplus	3.2	869,792,012	328,161,513
2 Non-current liabilities			
(a) Deferred tax liability		573,553	469,339
(b) Long-term provisions	3.3	11,166,918	9,996,255
3 Current liabilities			
(a) Trade payables		30,796,004	120,369,538
(b) Other current liabilities	3.4	28,443,031	29,651,330
(c) Short-term provisions	3.5	112,422,046	81,363,051
TOTAL		1,147,163,564	663,981,027
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.6	1,774,289	2,116,589
(b) Long-term loans and advances	3.7	501,322	829,989
2 Current assets			
(a) Trade receivables	3.8	185,417,055	215,438,493
(b) Cash and cash equivalent	3.9	943,974,613	420,704,489
(c) Short-term loans and advances	3.10	9,912,254	24,625,037
(d) Other current assets	3.11	5,584,031	266,430
TOTAL		1,147,163,564	663,981,027
Significant Accounting Policies and Notes to Accounts	2 & 3		

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants

Firm Registration No.: 109818W

A.N. Shah

Partner

Membership No.: 042649

Mumbai

Dated: 27th April, 2019**For and on behalf of the Board of Directors****Nitin Jain**

Director & CEO

Ruchit Puri

Director

Dated: 25th April, 2019

Statement of Profit and loss

for the year ended 31st March 2019

Particulars	Note No.	For the year ended	For the year ended
		31 st March, 2019	31 st March, 2018
		₹	₹
I. Revenues from operations			
Service Income (net)		823,281,490	587,864,830
II. Other Interest income	3.12	10,083,392	637,032
III. Total Revenue		833,364,882	588,501,862
IV. Expenses:			
Employee benefits expense	3.13	142,190,987	128,330,830
Finance cost	3.14	3,426,387	2,134,290
Depreciation and Amortisation expense	3.6	1,228,714	717,528
Other expenses	3.15	80,605,135	63,348,551
Total expenses		227,451,223	194,531,200
V. PROFIT/(LOSS) BEFORE TAX		605,913,659	393,970,662
VI. Tax expense:			
(a) Current tax			
- Pertaining to profit/ (loss) for the current period		84,268,693	65,357,263
- Adjustment of tax relating to earlier periods		-	-
(b) Deferred tax		76,390	464,168
VII. PROFIT/(LOSS) FOR THE YEAR		521,568,576	328,149,231
VIII. Earnings per equity share:			
Basic and Diluted	3.19	260.78	164.07
Significant Accounting Policies and Notes to Accounts	2 & 3		

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants

Firm Registration No.: 109818W

A.N. Shah

Partner

Membership No.: 042649

Mumbai

Dated: 27th April, 2019

For and on behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 25th April, 2019

Cash Flow Statement

for the year ended 31 March 2019

Particulars	For the year ended	For the year ended
	31 st March, 2019	31 st March, 2018
	₹	₹
Cash Flow from Operating Activities		
Net Profit / (Loss) before taxation	605,913,659	393,970,662
Adjustments for:		
- Bad debts written off (net of write back for doubtful debts)	7,437,300	3,156,582
- Depreciation & Amortization	1,228,714	717,528
- Exchange Adjustments	19,927,445	4,816,237
- Interest on deposits	(10,001,775)	(616,722)
- Foreign Exchange Loss (net)	5,435,773	(3,444,283)
Operating Profit / (Loss) before Working Capital Changes	629,941,116	398,600,005
Adjustments for:		
(Increase) / Decrease in Trade receivables	22,584,138	(218,595,077)
(Increase) / Decrease in Short-term loans and advances	14,712,783	(24,436,071)
(Increase) / Decrease in Long-term loans and advances	328,667	(829,989)
Increase / (Decrease) in Trade payable	(89,573,534)	119,126,066
Increase / (Decrease) in Short-term provisions	13,925,900	15,323,684
Increase / (Decrease) in Other current liabilities	(1,208,299)	29,651,330
Increase / (Decrease) in Long-term provisions	1,170,663	9,996,255
Cash Generated / (Used in) from Operations	591,881,434	328,836,203
Direct taxes paid	(67,107,774)	(46,026)
NET CASH FLOW (USED IN)/ FROM OPERATING ACTIVITIES (A)	524,773,659	328,790,177
Cash Flow from Investing Activities		
Purchase of fixed assets	(751,937)	(2,810,795)
Fixed Deposits (placed)/redeemed during the year	(419,481,520)	(64,603,480)
Interest received	4,684,174	353,910
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)	(415,549,282)	(67,060,366)
Cash Flow from Financing Activities		
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash and Cash Equivalents (A + B + C)	109,224,377	261,729,812
Cash and Cash Equivalents at the beginning of the year	356,101,009	90,926,914
Effect of Foreign Exchange Loss (net)	(5,435,773)	3,444,283
Cash and Cash Equivalents at the end of the period	459,889,613	356,101,009
	109,224,377	261,729,812

Notes:

The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3

"Cash Flow Statements" " specified under Section 133 and other relevant provisions of the Companies Act, 2013.

Figures in brackets indicate cash outflow.

The previous year's figures have been re-grouped, wherever necessary in order to conform with this year's presentation.

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

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants

Firm Registration No.: 109818W

A.N. Shah

Partner

Membership No.: 042649

Mumbai

Dated: 27th April, 2019

For and on behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 25th April, 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

1 ORGANISATION AND NATURE OF BUSINESS

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. ("the Company"), a company incorporated on 7th March, 2014 in Singapore, has its registered office at 16 Raffles Quay, #35-02, Hong Leong Building, Singapore 048581.

The principal activity of the Company is investment management. The Company has obtained Capital Market Services License for fund management under the Securities and Futures Act (Chapter 289) from the Monetary Authority of Singapore (the "MAS") on 14th March, 2016. The Company commenced business operations during the year ended 31st March, 2018.

The immediate and ultimate holding company is Kotak Mahindra Bank Limited which is incorporated in India.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation

- i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting standards notified under Section 133 and other relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in accounting policies disclosed hereafter, if any.
- ii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date. The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as "Reserves and Surplus".

2.3 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

2.4 Revenue Recognition

Revenue consists of investment management income, brokerage income, advisory fee income, and sundry income and is recognised as and when services are rendered. Revenue is measured at the fair value of consideration received or receivable.

Other income includes interest income on term deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

2.5 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalent consists of cash in hand, bank balances and short-term, deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

2.6 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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

2.7 Taxes

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustments payable / refund received in respect of previous years.

Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising mainly on account of carry forward of losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income against which such deferred tax assets can be realised. Deferred tax assets on account of other timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.8 Provisions and Contingencies

Provision is recognised when there is a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes unless the outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

2.9 Share options

During the year, there were:

- i) No options granted by the Company to any person to take up unissued shares in the Company; and
- ii) No shares issued by virtue of any exercise of option to take up unissued shares of the Company

As at the end of the year, there were no unissued shares of the Company under option.

2.10 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

Share-based payment transactions (cash settled)

The cost of cash-settled scheme (stock appreciation rights) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straightline basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the statement of profit and loss under 'Employee Benefit Expense'.

Schedules forming part of Balance Sheet and Profit and Loss Account

2.11 Property, Plant and Equipment

Property, Plant and Equipment are stated at acquisition cost inclusive of incidental expenses, net of accumulated depreciation and accumulated impairment losses, if any.

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

Furniture and Fittings	3 years
Computer & Software	3 years
Office Equipment	3 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting date. Losses arising from the retirement of and gains or losses arising from disposal of Property, plant and Equipment which are carried at cost, are recognised in the Statement of Profit and Loss.

2.12 Leases

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit & Loss Account on a straight line basis over the lease term.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3 NOTES TO ACCOUNTS

3.1 (a) Share capital

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Issued, Subscribed and fully Paid up		
2,000,000 (Previous year 2,000,000) Equity Shares of SGD 1 each	93,970,000	93,970,000
Total	93,970,000	93,970,000

(b) Equity shares

Reconciliation of equity share capital	As at	As at	As at	As at
	31 March 2019	31 March 2019	31 March 2018	31 March 2018
	Quantity	₹	Quantity	₹
Share capital outstanding at the beginning of the year	2,000,000	93,970,000	2,000,000	93,970,000
Issued during the period	-	-	-	-
Share capital outstanding at the end of the year	2,000,000	93,970,000	2,000,000	93,970,000

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of SGD 1 per share. Each holder of equity shares is entitled to one vote per share. All shares rank equally with regard to the Company's residual assets.

The holder of the ordinary share is entitled to receive dividends as declared from time to time.

(d) Shares held by holding company and/or its subsidiaries/associates

Out of equity shares issued by the company, shares held by its holding company and its subsidiaries/ associates are as below:

Number of equity share	As at	As at
	31 March 2019	31 March 2018
Kotak Mahindra Bank Limited, the holding company	2,000,000	2,000,000

(e) Details of shareholders holding more than 5% shares in the company

Equity shares of SGD 1 fully paid up

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	% holding	Number	% holding
Kotak Mahindra Bank Limited	2,000,000	100.00%	2,000,000	100.00%

Schedules forming part of Balance Sheet and Profit and Loss Account

3.2 Reserves and Surplus

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
a. Translation Reserve		
Opening Balance	2,116,414	(1,989,843)
Additions/(deductions) during the period	20,061,923	4,106,257
Closing Balance	22,178,337	2,116,414
b. Surplus in the statement of profit and loss		
Opening balance	326,045,099	(2,104,132)
Net Profit / (Loss) for the current year	521,568,576	328,149,231
Closing Balance	847,613,675	326,045,099
Total	869,792,012	328,161,513

3.3 Long-term provisions

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Provision for employee benefits		
Stock Appreciation Rights (refer note 3.18)	11,166,918	9,996,255
Total	11,166,918	9,996,255

3.4 Other current liabilities

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Other payable	27,265,376	25,081,547
Expenses payable to group companies	1,177,655	4,569,783
Total	28,443,031	29,651,330

3.5 Short-term Provisions

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Provision for employee benefits:		
Provision for Stock Appreciation Rights (refer note 3.18)	28,870,609	14,961,395
Payable to statutory funds	378,974	362,288
Other Provisions:		
Provision for taxes (net of Advance tax of ₹ 70,167,194)	83,172,463	66,039,368
Total	112,422,046	81,363,051

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.6 Property, Plant and Equipment

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 st April, 2018	Additions	Deduction / Adjustment*	Balance as at 31 st March, 2019	Balance as at 1 st April, 2018	Depreciation charge for the year	Deduction / Adjustment*	Balance as at 31 st March, 2019	Balance as at 31 st March, 2019	Balance as at 31 st March, 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Computer & Software	603,772	751,937	(28,629)	1,384,339	178,028	428,272	6,178	612,478	771,860	425,744
Furniture and Fixtures	752,536	-	(45,955)	798,491	154,016	269,110	6,456	429,583	368,908	598,520
Office equipment	1,485,803	-	(90,733)	1,576,536	393,478	531,332	18,205	943,015	633,521	1,092,325
Total	2,842,111	751,937	(165,317)	3,759,365	725,522	1,228,714	30,839	1,985,076	1,774,289	2,116,589
Previous Year	-	2,810,795	(31,316)	2,842,111	-	717,528	7,994	725,522	2,116,589	-

* Deduction / adjustments include effect of translation reserve of ₹ -165,317/- (Previous year - ₹ -31,316/-) for gross block and ₹ 30,839/- (Previous year ₹ 7,994/-) for accumulated depreciation.

3.7 Long Term Loans and Advances

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Unsecured, considered good		
Security Deposits	489,701	775,242
Prepaid expenses	11,621	54,747
Total	501,322	829,989

3.8 Trade Receivables

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Unsecured, considered good, unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment	-	18,157
Others	185,417,055	215,420,336
Considered doubtful	2,741,737	3,156,582
Less: Provision for doubtful debts	(2,741,737)	(3,156,582)
Total	185,417,055	215,438,493

Schedules forming part of Balance Sheet and Profit and Loss Account

3.9 Cash and cash equivalent

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Balances with banks:		
On Current accounts	47,800,901	193,163,482
Deposits with original maturity of less than 3 months	412,088,712	162,937,527
Other Bank Balances:		
Deposits with residual maturity of less than 12 months	484,085,000	64,603,480
Total	943,974,613	420,704,489

3.10 Short-term Loans and Advances

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Unsecured, considered good		
Prepaid expenses	1,360,910	5,975,528
GST Input Credit	8,551,344	18,649,509
Total	9,912,254	24,625,037

3.11 Other current assets

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Unsecured, considered good		
Interest accrued on deposits	5,584,031	266,430
Total	5,584,031	266,430

3.12 Other Income

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
Miscellaneous income	81,617	20,310
Interest income on fixed deposits	10,001,775	616,722
Total	10,083,392	637,032

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.13 Employee Benefits Expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Salaries, bonus and allowances (refer note 3.21)	94,704,550	99,509,849
Contribution to provident and other funds	2,230,542	2,085,525
Deferred Incentive	3,265,104	2,475,969
Expenses on stock appreciation rights (refer note 3.21)	41,822,076	24,162,092
Staff Welfare	168,714	97,396
Total	142,190,987	128,330,830

3.14 Finance cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Bank Charges	3,426,387	2,134,290
Total	3,426,387	2,134,290

3.15 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Auditor's remuneration	3,431,065	2,548,440
- Statutory fees	3,319,739	2,524,467
- Reimbursement of expenses	111,326	23,972
Foreign Exchange Loss (net)	5,435,773	(3,444,283)
Professional and legal fees	34,096,916	37,062,600
Licensing Expenses	271,346	353,502
Membership and subscription	2,804,052	245,505
Insurance	4,863,900	4,689,670
Advertising, business promotion and entertainment	1,271,845	2,171,324
Communication expenses	577,465	647,988
Euroclear Fees	6,928,183	6,437,831
Rent	4,252,938	4,105,524
Repairs and maintenance	4,050,222	1,703,025
Travel and conveyance expenses	5,141,735	3,671,736
Miscellaneous expenses	42,395	33,886
Bad debts written off (net of write back for doubtful debts)	7,437,300	3,121,803
	80,605,135	63,348,551

3.16 The transactions are in US Dollars, which have been converted into Indian Currency (Indian Rupees) for reporting and the rate applied is as per para 2.2 of the significant accounting policies.

Schedules forming part of Balance Sheet and Profit and Loss Account

3.17 Operating leases

At 31 March 2019, the Company was committed to making the following lease rental payments under a non-cancellable operating lease:

Particulars	2019	2018
	₹	₹
Payable:		
- Within one year	1,404,746	4,105,504
- Between two and five years	-	1,368,479
	1,404,746	5,473,983

The lease relates to office premises and is generally for a period of three years, with renewal option available.

3.18 Stock appreciation rights (SARs)

At the General Meeting of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligible employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme and the existing SARs will continue.

The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 years to 3.67 years.

Detail of activity under SAR is summarized below:

Particulars	No. of SARs	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Outstanding at the beginning of the year	106,281	-
Granted during the year	79,160	51,590
Additions/Reduction due to transfer of employees	-	82,110.00
Exercised during the year	43,972	27,419.00
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	141,469	106,281

Effect of share based payment to employees on the profit and loss account and on its financial position.

Particulars	2019	2018
	₹	₹
Total Employee Compensation Cost pertaining to share-based payment plans	41,822,076	24,162,092
Closing balance of liability for cash-settled options	40,037,528	24,957,650

Had the company recorded the compensation cost computed on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹ 2,837,213 (Previous year - ₹ 2,730,399) and the profit after tax would have been lower by ₹ 2,439,152 (Previous year - ₹ 2,266,231).

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.19 Earnings per equity share

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	521,568,576	328,149,231
Weighted average number of equity shares used in computation of basic earnings per share (B)	2,000,000	2,000,000
Nominal value of Equity shares	₹ 1	₹ 1
Basic and diluted earnings / (loss) per share (₹) A/B	260.78	164.07

3.20 Related Party Transactions

During the year ended 31 March 2019, the Company entered into transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Kotak Mahindra Bank Limited	Ultimate Parent Company	Outsourcing Costs	(29,590,570)	(26,573,972)	-	-
Kotak Investment Advisors Limited	Fellow Group Entities	Investment advisory expense	(27,100,806)	(24,971,829)	-	-
Kotak Mahindra Inc	Fellow Group Entities	Service fees expenses	(18,911,979)	(20,283,634)	(632,756)	(2,188,888)
Kotak Mahindra UK Limited	Fellow Group Entities	Distribution Fees	(1,115,453,967)	(874,259,122)	(5,769,573)	(105,295,864)
Kotak Mahindra Asset Management Company Ltd	Fellow Group Entities	Investment advisory expense	(12,714,227)	(10,298,764)	-	-
Advance Portfolio Management	Investment Manager	Investment advisory expense	(285,277)	-	-	-
K Advantage Opportunities Fund	Investment Manager	Fund promotion expenses	(34,106,130)	(60,678,250)	-	-
K Fixed Income Opportunities Fund	Investment Manager	Fund promotion expenses	(15,031,327)	(24,294,716)	-	-
Kotak Mahindra (International) Limited	Fellow Group Entities	Portfolio Management Income	13,237,749	-	282,926	-
K Fixed Income Opportunities Fund	Investment Manager	Investment management Income	2,067,843	3,011,270	(1,590,844)	(1,013,856)
Kotak Advantage Fund XIV Segregated Portfolio	Investment Manager	Investment management Income	5,068,815	3,503,679	-	-

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
K India Income Fund Segregated Portfolio	Investment Manager	Investment management Income	103,899,877	91,830,693	8,473,478	7,934,455
Kotak Advantage Fund - 1 - Cayman Fund	Investment Manager	Investment management Income	4,807,414	6,977,080	99,175	449,045
Kotak Advantage Fund IV Segregated Portfolio	Investment Manager	Investment management Income	1,567,489	8,378,776	194,982	242,174
Kotak Advantage Fund V	Investment Manager	Investment management Income	3,501,159	3,261,099	293,672	1,155,417
Kotak Fixed Term Fund-VII Segregated Portfolio	Investment Manager	Investment management Income	110,367	1,989,394	3,077	17,056
Kotak Advantage Fund - XIII Segregated Portfolio	Investment Manager	Investment management Income	2,103,849	2,417,134	-	-
Kotak Infinity Fund	Investment Manager	Investment management Income	80,931,739	59,822,386	5,639,332	8,231,601
Kotak WM India Fund	Investment Manager	Investment management Income	-	1,429,084	-	124,581
Core India Infrastructure Fund Pte. Ltd	Investment Manager	Investment management Income	94,293,348	56,723,348	-	3,421,699
BIF India Cactus Pte Ltd	Investment Manager	Investment management Income	2,147,827	1,017,290	504,058	275,156
BIF India Holdings Pte Ltd	Investment Manager	Investment management Income	995,744	470,770	235,163	127,334
Kinetic Holdings 1 Pte. Ltd	Investment Manager	Investment management Income	4,046,622	-	4,282,432	-
Kotak Global Funds	Investment Manager	Investment management Income	11,667,721	11,589,514	782,277	1,367,384
Global Investment Opportunities Fund Limited	Investment Manager	Investment management Income	1,856,951	3,076,710	145,979	413,707

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Global Investment Opportunities Fund Limited	Investment Manager	Distribution Income	-	2,022,716	-	147,455
Kotak Funds - India Growth Fund	Investment Manager	Investment management Income	169,951,067	162,742,264	14,422,129	14,361,957
Kotak Funds - India Midcap Fund	Investment Manager	Investment management Income	1,312,599,784	770,615,304	106,400,637	105,710,922
Kotak Funds - India Fixed Income Fund	Investment Manager	Investment management Income	18,183,340	22,971,135	988,107	4,144,907
K Advantage Opportunites Fund	Investment Manager	Investment management Income	37,841,928	61,784,706	697,423	(541,558)
K Debt Opportunities Fund Limited - I	Investment Manager	Investment management Income	211,374,994	244,897,942	14,145,529	24,052,697
Kotak India Consumption Fund Ltd	Investment Manager	Investment management Income	3,185,815	3,126,947	229,854	260,446
Kotak Investment Opportunities Fund Limited	Investment Manager	Investment management Income	12,803	97,104	6,799	5,040
KB Asset Management Company	Investment Manager	Investment management Income	1,564,314	-	698,344	-
Kotak Advantage Banking Fixed Income Fund	Investment Manager	Investment management Income	-	824,550	-	-
Kotak Advantage Fund II Seg.Portfolio	Investment Manager	Investment management Income	-	979,458	-	-
Kotak Advantage Fund-XI Segregated Portfolio	Investment Manager	Investment management Income	-	24,335	-	-
Kotak Advantage Fund-X Segregated Portfolio	Investment Manager	Investment management Income	-	16,926	-	-
Kotak Fixed Term Fund-IX Seg.Portfolio	Investment Manager	Investment management Income	-	2,865,682	-	-

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Kotak Fixed Term Fund - XII Seg. Portfolio	Investment Manager	Investment management Income	-	2,900,040	-	-
K Advantage (Mauritius) Ltd - I	Investment Manager	Reimbursement of Expenses	-	-	-	178,001
K Debt Opportunities Fund Limited - II	Investment Manager	Reimbursement of Expenses	-	-	55,324	52,140
K Fixed Maturity Plan - VIII	Investment Manager	Reimbursement of Expenses	-	-	-	464,580
K-India Fixed Maturity Plan-I	Investment Manager	Reimbursement of Expenses	-	-	-	401,478
Kotak Fixed Maturity Plan I	Investment Manager	Reimbursement of Expenses	-	-	-	401,478
Kotak Fixed Maturity Plan -III	Investment Manager	Reimbursement of Expenses	-	-	-	463,720
Kotak Fixed Maturity Plan - IX	Investment Manager	Reimbursement of Expenses	-	-	-	489,045
Kotak Fixed Maturity Plan - V	Investment Manager	Reimbursement of Expenses	-	-	-	421,031
Kotak Fixed Maturity Plan - X	Investment Manager	Reimbursement of Expenses	-	-	-	495,004
Kotak India Advantage Fund - I	Investment Manager	Reimbursement of Expenses	-	-	967,133	523,029
Kotak India Advantage Fund - III	Investment Manager	Reimbursement of Expenses	-	-	1,863,971	848,904
Kotak Global Bond Fund	Investment Manager	Reimbursement of Expenses	-	-	748,583	-
Kotak Fixed Term Fund XVI	Investment Manager	Reimbursement of Expenses	-	-	71,911	-
Kotak Fixed Term Fund XV	Investment Manager	Reimbursement of Expenses	-	-	13,831	-
Kotak Fixed Term Fund II	Investment Manager	Reimbursement of Expenses	-	-	25,300	23,844
Kotak India Advantage Fund - IX	Investment Manager	Reimbursement of Expenses	-	-	96,807	23,463
Kotak India Advantage Fund - VIII	Investment Manager	Reimbursement of Expenses	-	-	76,057	86,660
Kotak India Advantage Fund - XIII	Investment Manager	Reimbursement of Expenses	-	-	29,726	13,035
Kotak India Advantage Fund - XII	Investment Manager	Reimbursement of Expenses	-	-	18,661	17,587

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Kotak India Advantage Fund - XIV	Investment Manager	Reimbursement of Expenses	-	-	13,831	42,452
			833,824,277	490,007,050	154,513,334	68,348,317

During the year compensation to Key Managerial Personnel was ₹ 41.95 million (Previous year - ₹ 30.07 million).

3.21 Salaries, bonus and allowances and Expenses on Stock appreciation rights includes contribution to PF amounting to ₹ 809,139 and ₹ 432,962 respectively.

3.22 Previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants

Firm Registration No.: 109818W

A.N. Shah

Partner

Membership No.: 042649

Mumbai

Dated: 27th April, 2019

For and on behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 25th April, 2019



Kotak Mahindra Bank Limited, 27BKC,
C 27, G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Website: www.kotak.com

BSE: 500247 | NSE: KOTAKBANK | Bloomberg: KMB:IN

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