



Courage
of Conviction.
Constancy
of Change.

Directors Report

Directors' report to the shareholders

The directors present their report and the audited financial statements of Kotak Mahindra (International) Limited (the "Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The Company acts as an investment manager to various funds which predominantly invest into equity and debt capital markets in India (including private equity strategies). It also carries on business in other financial services including dealing in securities on an execution-only basis, advisory services, distribution of various collective investment schemes and products of third parties, issuance of Participatory Notes ("P Notes") [as per regulations prescribed for Offshore Derivative Instruments ("ODI") by the Securities and Exchange Board of India ("SEBI")]. The Company also undertakes investments in shares, bonds and other securities for its own account.

MARKET AND BUSINESS UPDATE:

Being largely focused on Indian investments, the Company's activities are impacted by the performance or otherwise of the Indian capital markets. This in turn is dependent on the economic growth in India along-with developments at the macro and micro level and those of other major global economies.

The Company experienced steady activity in its multiple businesses of investment management, investment advisory and dealing in securities.

During the year, the Company continued to earn from its investments which are classified as Fair value through profit or loss. The investments are predominantly in debt instruments, have low duration and are managed on a fair value basis.

The Indian economy continues to be one of the fastest growing emerging economies and with a stable macro-economic factors. The Company expects to witness continued interest in India, however, it also expect the capital markets to be volatile during the next financial year driven by various local factors like general elections in the months of April and May 2019, monsoon forecast for the year and global factors like slowdown in major economies like the US, impacts of BREXIT, trade agreements between the United States and China, geo-political situation in the Middle East, etc. Though there may be few near term worries, India is likely to be one of the fastest growing economies in the world and will continue to attract global investor interest across asset classes.

The Company expects to grow its business under various verticals like investment management, advisory and dealing in securities. It will continue to build a low risk investment portfolio to ensure appropriate utilisation of its capital resources.

RESULTS AND DIVIDEND

The Company's profit for the financial year ended 31 March 2019 amounted to ₹ 595,851,111 (2018: ₹ 620,052,919).

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 March 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. The financial statements set out are presented in Indian Rupees prepared based on the aforesaid financial statements to comply with requirements of section 129 of the Companies Act, 2013 in India.

The Board of Directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors has made an assessment of the Company's ability to continue as a going concern and has no reason to believe that the business will not be a going concern in the year ahead.

AUDITORS

The auditors, KPMG, have indicated their willingness to continue in office.

Independent Auditor's Report

To

The Members of

KOTAK MAHINDRA (INTERNATIONAL) LIMITED

The financial statements of Kotak Mahindra (International) Limited (the "Company") as at 31st March, 2019, being a company registered in the Mauritius, are audited by KPMG, Licensed by FRC, Mauritius and we have been furnished with their audit report dated 23rd 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 (INTERNATIONAL) 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, Licensed by FRC, Mauritius 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: 26th April, 2019

A. N. Shah
Partner
M. No. 042649

Balance Sheet

as at 31st March 2019

Particulars	Note No.	As at	As at
		31 st March 2019	31 st March 2018
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	161,597,644	161,597,644
(b) Reserves and surplus	3.2	6,068,701,621	5,158,446,693
2 Non-current liabilities			
(a) Long-term provisions	3.3	10,500,160	7,256,495
(b) Deferred tax liability		75,902	41,844
3 Current liabilities			
(a) Short-term borrowings	3.4	2,991,070,055	4,011,095,859
(b) Trade payables		1,149,954,776	248,456,961
(c) Other current liabilities	3.5	57,957,059	46,851,493
(d) Short-term provisions	3.6	21,767,380	10,766,881
TOTAL		10,461,624,597	9,644,513,870
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.7	49,981	179,851
(b) Non-current investments	3.8	671,520,390	1,028,396,042
(c) Long-term loans and advances	3.9	27,474,789	26,168,946
2 Current assets			
(a) Current investments	3.8	6,846,001,528	6,598,132,161
(b) Trade receivables	3.10	236,160,020	96,206,008
(c) Cash and cash equivalents	3.11	2,535,748,257	1,720,000,020
(d) Short-term loans and advances	3.12	4,711,560	5,277,764
(e) Other current assets	3.13	139,958,072	170,153,078
TOTAL		10,461,624,597	9,644,513,870
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: 26th April 2019

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan

Director

Doomraj Sooneelall

Director

Dated: 25th April 2019

Statement of Profit and loss

for the year ended 31st March 2019

Particulars	Refer Note No.	For the year ended 31 st March 2019	For the year ended 31 st March 2018
		₹	₹
I. Revenues from operations			
(a) Income from Services (net)		583,471,781	723,723,848
(b) Income from Investments (net)		345,570,477	265,558,487
II. Other income	3.14	51,328,961	25,083,407
III. Total Revenue		980,371,219	1,014,365,743
IV. Expenses:			
Employee Benefit Expenses	3.15	131,620,203	88,899,233
Finance Costs	3.16	117,508,805	117,841,835
Depreciation and Amortisation expense	3.7	142,418	230,751
Other Expenses	3.17	95,154,552	130,063,275
Total Expenses		344,425,978	337,035,096
V. PROFIT/(LOSS) BEFORE TAX		635,945,241	677,330,648
VI. Tax expense:			
Current tax			
- Pertaining to profit/ (loss) for the current period		40,080,319	56,935,872
- Adjustment of tax relating to earlier periods		(18,040)	300,474
Deferred Tax		31,851	41,383.28
		40,094,130	57,277,729
VII. PROFIT/(LOSS) FOR THE YEAR		595,851,111	620,052,919
VIII. Earnings/(loss) per equity share (in ₹) :			
Basic & Diluted	3.24	145.98	151.91
Significant accounting policies and notes to the financial statements	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: 26th April 2019

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan **Doomraj Sooneelall**
Director Director

Dated: 25th April 2019

Cash Flow Statement

FOR THE YEAR ENDED 31ST 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 before taxation	635,945,241	677,330,648
Adjustments for:		
Depreciation and Amortisation Expense	142,418	230,751
Dividend Income	(1,573,229)	(383,028)
Interest Income	(346,033,700)	(312,234,936)
Interest and other Financial Charges	117,508,805	115,876,567
Exchange Adjustments	314,391,270	29,986,988
Amortisation of premium/ accretion of discount on bonds and convertible bonds	68,716,194	90,670,796
Bad debts written off	1,135,592	-
Provision on other receivables	1,552,253	-
Provision for gratuity	1,405,323	998,852
Realised loss/ (gain) on disposal of available-for-sale investments	(51,267,712)	(58,015,148)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	741,922,453	544,461,490
Adjustments for:		
(Increase) / Decrease in Loans and advances - Long term	(1,305,504)	(633,415)
(Increase) / Decrease in Loans and advances - Short term	566,204	(66,188)
(Increase) / Decrease in Other Non current assets	-	88,226,953
(Increase) / Decrease in Trade receivables	(142,641,857)	331,345,649
(Increase) / Decrease in current assets	21,093,869	(76,868,875)
Increase / (Decrease) in Trade payables	900,092,493	(1,892,240,195)
Increase / (Decrease) in Other current liabilities	11,105,567	(21,138,637)
Increase / (Decrease) in long term provision	3,243,665	2,892,653
Increase / (Decrease) in Short term provision	5,363,154	4,241,125
Cash Generated From Operations	1,539,440,044	(1,019,779,440)
Gratuity paid	-	(69,292)
Income taxes paid	(34,423,067)	(57,217,212)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,505,016,977	(1,077,065,944)
Cash Flow From Investing Activities		
Purchase of investments	-	(383,028)
Purchase of AFS investments and other investment	(4,940,891,719)	(7,435,705,141)
Sale of investments	5,032,449,523	37,288,116
Proceeds from sale of available-for-sale investments	-	8,526,964,016
Deposits (placed) / redeemed with Banks	(354,559,871)	(1,155,901,057)
Purchase of fixed assets	-	(48,950)
Dividend Received	1,573,229	383,028
Interest Received	355,134,838	301,147,936
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)	93,706,000	273,744,920

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	₹	₹
Cash Flow From Financing Activities		
Movement in share capital		
Short term loan accepted	(1,020,025,804)	(1,095,005,049)
Interest and other Financial Charges Paid	(117,508,805)	(115,876,567)
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	(1,137,534,610)	(1,210,881,616)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	461,188,367	(2,014,202,640)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	76,767,660	2,090,970,301
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	537,956,027	76,767,660
	461,188,367	(2,014,202,640)

Notes:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the 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 to this year's presentation.

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: 26th April 2019

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan **Doomraj Sooneelall**
Director Director

Dated: 25th April 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

1. ORGANISATION AND NATURE OF BUSINESS

Kotak Mahindra (International) Limited ("KMIL" or the "Company") which was incorporated on 29th March, 1994 in Mauritius as a private company with limited liability holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The Company has by special resolution converted itself into a public company on 12th June, 2007.

The Company acts as an investment manager to various funds which invests predominantly into equity and debt capital markets in India (including private equity strategies). It also carries on business in other financial services including dealing in securities on an execution-only basis, advisory services, distribution of various collective investment schemes and products of third parties, issuance of Participatory Notes ("P Notes") [as per regulations prescribed for Offshore Derivative Instruments ("ODI") by the Securities and Exchange Board of India ("SEBI")]. The Company also undertakes investments in shares, bonds and other securities for its own account.

The Company operates a Representative office (the "Representative office") in Abu Dhabi, United Arab Emirates. The Company has an associate and fellow subsidiary in the United Kingdom, Kotak Mahindra (UK) Limited ("KMUK") and also an associate and fellow subsidiary in United Arab Emirates, Kotak Mahindra Financial Services Limited ("KMFSL"). These financial statements include the financial position, performance and cash flows of its Representative office.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

2. SUMMARY OF 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 provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value. 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 and investment in subsidiaries and associates) are translated at the closing rate as on the Balance Sheet date. The Share Capital and investment in subsidiaries and associates are 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.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Commission, fees and other revenues are invoiced and recognised on an accrual basis to the extent there is a reasonable certainty of its ultimate realization/corrections and the revenue can be reliably measured.

Interest income is recognised in statement of profit and loss, using effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but not the future credit losses.

Dividend income is recognised in profit or loss on the date that the right to receive payment is established. For quoted securities this is usually the ex-dividend date. For unquoted equity securities, this is usually the date when the shareholders have approved the payment of a dividend.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

2.5 Expenses

Expenses are accounted for in the profit and loss on the accrual basis.

2.6 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:

Office Equipment 3 years

Computers 3 years

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.

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

2.7 Investments

Investments in Associate/ fellow subsidiaries are stated at cost.

The Company has classified its investments in equity securities and debt securities as current investment. Investments are initially recognised at cost, including transaction costs. The equity securities are subsequently carried at cost or market value whichever is less. The market values are based on the quoted prices. When quoted prices are unavailable, the price of the most recent transaction is used. The debt securities are subsequently measured at amortized cost using the effective interest method or market value, whichever is less.

All derivative financial instruments are classified as held for trading. Derivative financial instruments are measured at fair value as at each Balance Sheet date.

Futures contracts are collateralised by cash and changes in the futures contracts values are settled with the exchange on a daily basis. The fair values of open positions in futures contracts are calculated as the difference between the contract prices and the settlement prices established each day by the exchange on which the contracts are traded.

All investment transactions are recognised using trade date accounting.

In case of unlisted open-ended investments funds, the net asset value per share as reported by the administrator of such funds is considered market value.

2.8 Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Provision for employees' end of service benefits represents the liability that would arise if the employment of all eligible staff of the Representative office were terminated as of the reporting date and is calculated in accordance with the UAE Federal Labour Law.

2.9 Leases

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

2.10 Taxes

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

Deferred tax is recognized, subject to the consideration of prudence, 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 losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty of its realisation, supported by convincing evidence.

Schedules forming part of Balance Sheet and Profit and Loss Account

2.11 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.

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.

2.12 Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is measured based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.13 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.

2.14 Employee Share based payments

Cash-settled scheme:

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 statement of profit and loss under 'Employee benefit expenses'. 3.1 (a) Share Capital.

3. NOTES TO ACCOUNTS

3.1 (a) Share Capital

	As at 31 ST March 2019	As at 31 ST March 2018
	₹	₹
Authorised shares		
4,081,650 (31 ST March 2018: 4,081,650) equity shares of USD 1 each	\$4,081,650	\$4,081,650
Issued, Subscribed and fully Paid up	₹	₹
4,081,650 (31 ST March 2018: 4,081,650) equity shares of USD 1 each	161,597,644	161,597,644
Total	161,597,644	161,597,644

(b) Equity shares

Reconciliation of number of shares	As at 31 ST March 2019	As at 31 ST March 2018	As at 31 ST March 2019	As at 31 ST March 2018
	Quantity	₹	Quantity	₹
Share capital outstanding at the beginning of the year	4,081,650	161,597,644	4,081,650	161,597,644
Issued during the period	-	-	-	-
Number of shares at the end	4,081,650	161,597,644	4,081,650	161,597,644

Schedules

 forming part of Balance Sheet and Profit and Loss Account

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in USD. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

Number of shares	As at 31 March 2019	As at 31 March 2018
Kotak Mahindra Bank Limited, the holding company	2,081,650	2,081,650
Kotak Mahindra Capital Company Limited, subsidiary of Kotak Mahindra Bank Limited	2,000,000	2,000,000

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

Equity shares of USD 1 fully paid up

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Kotak Mahindra Bank Limited, holding company	2,081,650	51	2,081,650	51
Kotak Mahindra Capital Company Limited, subsidiary of Kotak Mahindra Bank Limited	2,000,000	49	2,000,000	49

3.2 Reserves and Surplus

Particulars	As at	
	31 March 2019	31 March 2018
	₹	₹
Translation reserve		
Opening Balance	915,468,691	885,928,687
Additions/(deductions) during the year	314,403,817	29,540,004
Closing Balance	1,229,872,508	915,468,691
Surplus in the statement of profit and loss		
Opening balance	4,242,978,002	3,622,925,083
(+) Net Profit/(Net Loss) for the year	595,851,111	620,052,919
Closing Balance	4,838,829,114	4,242,978,002
Total	6,068,701,621	5,158,446,693

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.3 Long-term provisions

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Provisions for employee benefits		
Provision for Stock-appreciation Rights (refer note 3.25)	5,764,876	4,103,663
Provision for gratuity	4,735,285	3,152,832
Total	10,500,160	7,256,494

3.4 Short-term borrowings

Particulars	As at	As at
	31 March 2019	1 March 2018
	₹	₹
Secured borrowings		
Banks (against floating charge on the assets)	2,991,070,055	4,011,095,859
Total	2,991,070,055	4,011,095,859

3.5 Other current liabilities

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
MTM provisions - Derivatives	54,064,336	3,780,557
Income received in advance	3,892,723	43,070,936
Total	57,957,059	46,851,493

3.6 Short-term provisions

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Provision for employee benefits		
Provision for LTA	-	17,212
Provision for Stock-appreciation Rights (refer note 3.25)	11,685,687	6,305,321
Other provisions		
Provision for income tax (net of advance tax ₹ 6,446,422 (Previous year ₹ 16,207,915))	10,081,693	4,444,348
Total	21,767,380	10,766,881

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.7 Property, Plant and Equipment

	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 st April, 2018	Additions	Deductions / Adjustments*	Balance as at 31 st March, 2019	Balance as at 1 st April, 2018	For the Period	Deductions / Adjustments*	Balance as at 31 st March, 2019	Balance as at 31 st March, 2019	Balance as at 31 st March, 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Office Equipment	3,406,424	-	208,018	3,614,442	3,264,607	115,055	198,092	3,577,754	36,688	141,817
Computers	1,853,861	-	113,183	1,967,044	1,815,827	27,363	110,562	1,953,751	13,293	38,034
Total	5,260,285	-	321,201	5,581,486	5,080,433	142,418	308,653	5,531,505	49,981	179,851
Previous year	5,184,804	48,950	26,530	5,260,285	4,376,168	230,751	473,514	5,080,433	179,851	808,636

* Deductions/adjustments include effect of Translation Reserve of ₹ 321,201 (2018: ₹ 26,530) under Gross Block and ₹ 308,653 (2018: ₹ 473,514) under Accumulated Depreciation.

3.8 Investments

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2019	31 st March, 2019	31 st March, 2018	31 st March, 2018
		₹		₹
Non-trade Investments (Fully paid, cost)				
Investment in equity instruments (unquoted)				
Associate				
Kotak Mahindra (UK) Limited	470,000	26,287,575	470,000	26,287,575
Kotak Mahindra Financial Services Limited	450,000	25,898,375	450,000	25,898,375
Fellow Subsidiary				
Kotak Mahindra, Inc	1	45	1	45
Total		52,185,995		52,185,995
Equity and other similar funds (unquoted) and deb funds (unquoted)				
Kotak India Venture Fund I	386	26,694	386	25,158
Seaf India Investment and Growth Fund	69,030	477,377	69,030	449,903
Kotak India Real Estate Fund I	999	69,086	999	65,110
Kotak India Private Equity Fund Ltd	1,000	69,155	1,000	65,175
Kotak India Private Equity Fund Ltd III - Class B	1,000	69,155	1,000	65,175
Core Infrastructure India Fund Pte. Ltd	5,434,000	375,788,270	4,132,538	269,338,164
Core Infrastructure India Pte. Fund Ltd- Class B	1,000	69,155	1,000	65,175
Kotak India Fixed Income Fund	304,860	243,242,880	964,053	724,933,842
Total		619,811,772		995,007,701
Less: Provision for diminution		477,377		18,797,655

Schedules

 forming part of Balance Sheet and Profit and Loss Account

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2019	31 st March, 2019	31 st March, 2018	31 st March, 2018
	₹		₹	
Equity and other similar funds (unquoted) and debt funds (unquoted)		619,334,395		976,210,047
Total Non-current Investments		671,520,390		1,028,396,042
Aggregate value of unquoted investments		671,520,390		1,028,396,042
Current Investments				
Bonds and Convertible Bonds (Quoted)				
Foreign Currency Bonds				
BOBIN 4.875 07/23/19	-	-	8,027,000	537,904,439
QNBK FLOAT 05/20/18	-	-	10,000,000	651,850,626
EBIUH FLOAT 01/26/20	10,000,000	691,956,818	10,000,000	652,603,213
DIALIN 6 1/8 02/03/22	50,000	3,601,682	50,000	3,438,286
ICICI 4.8% 05/22/19	1,695,000	117,584,946	1,695,000	113,263,960
EXIMBK 2 3/4 04/01/20	130,000	8,990,200	130,000	8,472,843
ICICI 3.5% 03/18/20	1,204,000	83,078,343	204,000	13,437,854
ONGCIN 4.625% 07/15/24	103,000	7,257,061	103,000	6,860,380
PERTIJ 5 5/8 05/20/43	4,000	258,031	4,000	242,871
AXSBIN 2.875% 06/01/21	70,000	4,803,217	70,000	4,511,281
ICICI BANK 5.3/4% 11/16/20	141,000	10,162,849	141,000	9,807,768
BANK OF INDIA 3.625 09/21/18	-	-	9,864,000	646,091,736
SYNDICATE BANK 4.125% 04/12/18	-	-	5,452,000	355,467,146
UNION BANK OF INDIA 3.625% 10/25/18	-	-	5,620,000	368,201,203
CBKIN 5.25% 10/18/18	-	-	14,984,000	991,484,215
UNBKIN 4.5% 10/28/19	6,192,000	432,000,706	6,192,000	413,229,052
SNDBIN 3.875% 12/04/19	9,990,000	692,788,569	9,990,000	655,576,562
BOIIN 3 1/8 05/06/20	160,000	11,011,514	160,000	10,333,879
UPLIN 3.25% 10/13/21	70,000	4,784,623	70,000	4,489,687
ICICI 7% 11/23/20	100,000	7,291,858	100,000	7,078,284
TTMTIN 4.625% 04/30/20	4,592,000	318,318,507	4,000,000	267,646,219
SRILAN 6.2% 05/11/27	25,000	1,771,065	25,000	1,672,891
ADSEZ 3.50% 07/29/20	5,000,000	348,146,398	5,000,000	329,743,257
JSTLIN 4.75% 11/12/19	9,820,000	682,485,811	4,820,000	319,217,217
TATAIN 4.85% 01/31/20	10,000,000	695,904,169	4,000,000	268,689,597
AXSBIN 3% 08/08/22	3,000	206,339	3,000	194,170

Schedules

 forming part of Balance Sheet and Profit and Loss Account

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2019	31 st March, 2019	31 st March, 2018	31 st March, 2018
	₹		₹	
TATAIN 5.45% 01/24/28	1,000	67,258	1,000	63,237
TTMTIN 5.75% 05/07/21	3,980,000	278,004,326	-	-
VEDANTA RESOURCES 8.25% 06/07/21	4,000,000	293,379,018	-	-
MSSIN 4.875% 12/16/21	4,700,000	326,755,632	-	-
BPCLIN 4.375 01/24/22 EMTN	5,700,000	394,456,836	-	-
SBIIN 4 01/24/22	1,000,000	68,945,978	-	-
BOIIN 6.25% 02/16/21	1,000,000	72,052,248	-	-
SHTFIN 5.7% 02/27/22	5,000,000	346,250,944	-	-
BOBIN 3.5% 04/04/22	14,000,000	964,897,585	-	-
Total Foreign Currency Bonds		6,867,212,529		6,641,571,871
Total		6,867,212,529		6,641,571,871
Less: Provision for diminution		21,211,001		43,439,709
Total Bonds and Convertible Debentures		6,846,001,528		6,598,132,161
Total Current Investments		6,846,001,528		6,598,132,161
Aggregate value of quoted investments		6,846,001,528		6,598,132,161
Aggregate market value of quoted investments		6,866,196,222		6,605,309,069
Aggregate value of unquoted investments		-		-
Total investments		7,517,521,917		7,626,528,203

3.9 Long Term Loans and Advances

	As at	As at
	31 March 2019	31 March 2018
	₹	₹
a. Security Deposits		
Unsecured, considered good	2,215,222	2,043,757
	2,215,222	2,043,757
b. Loans and advances to related parties		
Unsecured, considered good	25,253,677	24,119,638
	25,253,677	24,119,638
c. Advance Tax		
Income tax paid in advance (net of provision for tax ₹ 82,847,535 (Previous year ₹ 57,444,056))	5,890	5,551
Total	27,474,789	26,168,946

Schedules

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3.10 Trade Receivables

	As at 31 March 2019	As at 31 March 2018
	₹	₹
Unsecured, considered good, unless otherwise stated		
Trade receivables exceeding six months from the date they are due for payment	778,648	-
Others	235,381,372	96,206,008
Considered doubtful	1,535,241	-
Less: Provision for doubtful debts	(1,535,241)	-
Total	236,160,020	96,206,008

3.11 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
	₹	₹
Balances with banks:		
On current accounts	537,956,027	76,767,660
Other Bank Balances:		
Deposits with residual maturity of less than 12 months	1,997,792,230	1,643,232,359
Total	2,535,748,257	1,720,000,020

3.12 Short-term loans and advances

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Prepaid expenses		
Unsecured, considered good	4,711,560	5,277,764
Total	4,711,560	5,277,764

3.13 Other Current Assets

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Interest accrued on loan	829,860	782,100
Interest accrued on Bonds	75,042,572	80,273,454
Interest accrued on Deposits	8,310,633	12,228,649
Margin money for Derivatives	54,559,399	76,868,875
MTM on Derivatives	1,215,607	-
Total	139,958,072	170,153,078

Schedules

 forming part of Balance Sheet and Profit and Loss Account

3.14 Other income

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Interest Income on Fixed Deposit	49,824,892	23,835,971
Interest income on Loans	839,056	876,883
Other income	665,013	370,554
Total	51,328,961	25,083,407

3.15 Employee benefit expense

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Salaries, bonus and allowances	106,290,771	74,339,406
Gratuity	1,405,323	998,852
Expenses on Stock appreciation rights	18,702,894	10,619,547
Deferred Incentive	2,984,767	1,142,637
Staff welfare expenses	2,236,448	1,798,791
Total	131,620,203	88,899,233

3.16 Finance charges

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Interest on borrowings	106,956,110	109,512,015
Interest on OD	7,990,712	6,364,552
Bank charges	2,561,983	1,965,268
Total	117,508,805	117,841,835

3.17 Other expenses

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Auditor's remuneration	3,454,861	3,175,559
- Statutory fees	3,304,457	3,089,307
- Reimbursement of expenses	150,404	86,252
Communication expenses	4,995,696	4,235,800
Custodial Charges	5,552,284	5,648,316
Foreign Exchange Loss/(gain) (net)	-	25,007,491
Legal & professional charges	29,242,973	23,309,186
Miscellaneous expenses	13,064,436	10,698,712

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Rent	2,340,166	2,256,491
Travel expenses	3,266,463	2,358,226
Business Sourcing Expenses	29,710,773	52,529,806
Other expenses	839,056	843,688
Bad debts written off	1,135,592	-
Provision on other receivables	1,552,253	-
Total	95,154,552	130,063,275

3.18 The Company is a subsidiary of Kotak Mahindra Bank Limited ("KMBL"). The accounts have been prepared and audited to attach with the accounts of KMBL, the holding Company to comply with the provisions of the Indian Companies Act, 2013.

3.19 Contingent Liability

Guarantee secured against margin deposit in Dubai amounted to ₹ 339,620 (previous year ₹ 320,074)

3.20 Capital Commitment

The Company has made a total commitment of ₹ 691,550,000 (Previous year ₹ 651,750,000) of which ₹ 458,133,895 (Previous year ₹ 269,337,512) was called upon by Core Infrastructure India Fund Pte. Ltd. till 31st March 2019. The Company will be called upon at a later date to pay ₹ 233,416,105 (Previous year ₹ 382,412,488) to meet its total commitment in Core Infrastructure India Fund Pte. Ltd.

3.21 Short-term borrowings

The loans from JP Morgan International Bank Ltd., with terms of up to 30 days bear an interest rate of 2.41 % to 3.12 % (2018: 1.64 % to 2.44 %) per annum. The short term loans are secured against bonds held with JP Morgan International Bank Limited, having a fair value of ₹ 3,954,808,340 (2018: ₹ 5,095,877,091).

3.22 The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. The foregoing is based on the taxation laws and practices currently in force in Mauritius and India and may be subject to change.

Tax in Mauritius:

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income.

The Company's GBL1 licence will convert to a GBL licence on 1st July 2021 and will operate under the new tax regime. Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

Gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in Mauritius. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax.

The tax changes will be applicable to the Company as from 30 June 2021 as explained above, the Company is currently assessing the impact of the changes to taxation in Mauritius.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

Taxes in India:

As a tax resident of Mauritius, the Company also expects to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). In 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, units and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India. As per the revised DTAA, interest arising in India to Mauritian residents will be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017 subject to fulfilment of certain conditions.

Exemption of long-term capital gains ("LTCG") on transfer of listed equity shares in an Indian company or a unit of equity-oriented mutual fund or a unit of a business trust ("specified securities") was withdrawn from financial year beginning 1 April 2018. Such LTCG exceeding INR 100,000, from notified purchases, is taxable at 10% (plus surcharge and cess). The cost of acquisition of specified security which is acquired before 1 February 2018, is the higher of (1) actual cost of acquisition and (2) lower of (a) the fair market value as at 31 January 2018 and (b) full value of the consideration received on the transfer of the security.

3.23 Derivatives

Currency forwards

During the year, the Company has entered into various non-deliverable currency forwards in order to hedge its investments in Indian Rupee. The details of outstanding contracts as at 31 March 2019 and the corresponding fair values are shown below:

Non deliverable forwards

Currency Pair	Fair value USD	Notional Contract Value USD
USD-INR		
31 st March, 2019	(755,289)	4,000,000
31 st March, 2018	(245,983)	13,000,000

The details of outstanding Interest rate swap and the corresponding unrealised gain / (loss) are shown below:

Reporting period	Unrealised Gain (Loss) USD	Notional Contract Value USD
31 st March, 2019	(26,496)	(52,000,000)
31 st March, 2018	307,905	(58,000,000)

The details of outstanding Total Return swap and the corresponding unrealised gain / (loss) are shown below:

Reporting period	Unrealised Gain (Loss) USD	Notional Contract Value USD
31 st March, 2019	17,578	25,128,219
31 st March, 2018	(119,928)	2,667,993

Schedules forming part of Balance Sheet and Profit and Loss Account

Summary and total outstanding derivative financial instruments outstanding as at March 31, 2019

	As on March 31, 2019		As on March 31, 2018	
	Fair Value	Notional	Fair Value	Notional
	USD	USD	USD	USD
Foreign Currency Forward Contracts	(755,289)	4,000,000	(245,983)	13,000,000
Total Return Swap	17,578	25,128,219	(119,928)	2,667,993
Interest Rate Swap	(26,496)	(52,000,000)	307,905	(58,000,000)
Total	(764,207)	(22,871,781)	(58,006)	(42,332,007)

3.24 Earnings per equity share

Particulars	As on	As on
	March 31, 2019	March 31, 2018
	₹	₹
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	595,851,111	620,052,919
Weighted average number of equity shares used in computation of basic earnings per share (B)	4,081,650	4,081,650
Nominal value of Equity shares	\$1	\$1
Basic and diluted earnings / (loss) per share (C) A/B	145.98	151.91

3.25 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:

	No. of SARs	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Outstanding at the beginning of the year	50,804	27,968
Granted during the year	31,280	31,410
Additions/Reduction due to transfer of employees	150	1,080
Exercised during the year	20,121	9,654
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	62,113	50,804

Effect of cash-settled options to employees on the profit and loss account and on its financial position

Year ended March 31,	2019	2018
	₹	₹
Total Employee Compensation Cost pertaining to cash-settled options	18,702,894	10,619,547
Closing balance of liability for cash-settled options	17,450,563	10,408,984

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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 ₹ 1,061,707 (Previous year ₹ 803,029) and the profit after tax would have been lower by ₹ 1,029,856 (Previous year ₹ 778,939).

3.26 Transactions and balances arising from the Participating Notes Programme ("Notes Programme") of the Company

According to the Offering Circular dated 05 August 2013 and the regulations of the Securities and Exchange Board of India ("SEBI"), the Company issues Participating Notes ("Notes") under the Notes Programme (also called Overseas Derivative Instruments ("ODI") as per SEBI) to clients who are regulated entities outside India seeking exposure of Indian capital markets. By way of the Notes, the economic benefits of the underlying securities bought by the Company in India are passed onto the clients.

The Company buys the security in the Indian capital market only after a firm order is received from the client for the security, against which a Note is issued to the client simultaneously. Similarly, it will dispose the underlying security following a firm instruction from the client and the Note will be redeemed simultaneously. All the gains and losses pertaining to the underlying security are paid to the client on Settlement Date, which is the date Notes are redeemed, less any applicable withholding taxes and transaction costs such as bank charges. The Company will charge the client a Fee income for this service. Throughout the whole cycle of the transaction, the Company holds the underlying security only on behalf and for the benefit of the client in return for an agreed fee income charged at the time of issuance and redemption of Notes.

The Directors have applied judgement and have concluded on the following:

- The business purpose of the Notes Programme for the Company is only to act as an agent for the client and to hold the underlying security on behalf of the client, on their instructions, in return for a fee income.
- All the significant risks and rewards associated with the underlying security rests with the client under the Notes Programme as stipulated under the Offering Circular dated 05 August 2013.
- The Company has no obligation to pay the client unless the Company has collected cash flows from the underlying securities and the Company is obliged to remit all of the cash flows collected to the client without material delay.
- The Company will not sell or pledge the underlying securities under the Notes programme.

Therefore, the underlying securities held at year end under the Notes Programme are not deemed to be part of the on-balance sheet assets of the Company.

The balance due from clients on account of unsettled issuance of Notes as at the reporting year end is included under trade receivables. The balance due to clients on account of unsettled exercise/redemption of notes and on account of monies payable to client on Notes exercised/redeemed during the year or due to income generated (other than change in fair value) on the underlying investment is included in trade payables. Similarly, amount due from or due to brokers as at the reporting year end on underlying investments have been included under trade receivables or trade payables respectively.

Details of the transactions and balances under the Notes Programme for the year are as follows:

Particulars	As at	As at 3
	31 March 2019	1 March 2018
	₹	₹
Fee income from dealing in securities	182,350,765	151,934,131
Amount due from clients	75,391,260	9,320,807
Amount due to clients	465,230,028	162,541,823
Amount due from broker	102,118,491	16,767,963

Schedules forming part of Balance Sheet and Profit and Loss Account

3.27 Related Party Transactions

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 (UK) Limited	Associate	Brokerage expenses	-	219,662	-	-
		Referral expenses	1,879,890	2,083,150	-	-
		Distribution fees Expenses	52,455,961	55,403,928	-	-
		Calculation agency expense	839,056	773,483	-	-
		Portfolio management expense	3,199,434	18,306,636	-	-
		Referral income	5,923,677	8,644,508	-	-
		Interest expense	957,922	3,339,226	-	-
		Subordinated loan	-	-	4,507,177	4,567,138
		Current account	-	-	(596,939,447)	-
		Payable	-	-	(2,195,132)	(16,413,411)
Kotak Investment Advisors Limited	Fellow Group Entities	Advisory expense	87,087,427	156,958,480	-	35,195
Kotak India Realty Fund	Investment Manager	Investment management fee	-	-	-	2,029,354
Kotak India Venture (Offshore) Limited	Investment Manager	Investment management fee	-	3,768,279	293,894	-
Kotak India Private Equity Fund	Investment Manager	Investment management fee	32,909,442	35,686,176	107,398	-
Kotak India Private Equity Fund - III	Investment Manager	Investment management fee	26,930,099	39,962,633	6,539	1,104,390
K-India Opportunities Fund Limited	Investment Manager	Investment Management, performance & service fee income	113,639,860	186,994,688	7,614,647	11,879,838
Kotak Securities Limited	Fellow Group Entities	Equity & derivative brokerage expenses	5,726,361	8,059,755	(30,555)	(36,563)
Kotak Mahindra Financials Services Limited	Associate	Loan given	-	-	20,746,500	19,552,500
		Interest Income	839,056	773,483	829,860	782,100
		Upfront & referral fees expenses	12,613,015	18,571,451	(311,818)	(8,006,684)
Kotak Mahindra, Inc.	Fellow Group Entities	Loan repaid	-	51,565,520	-	-
		Interest Expense	-	645,858	-	-
		Referral expenses	64,347,870	45,379,656	(3,229,283)	-
		Referral income	2,723,911	6,833,592	-	2,032,613
Kotak Mahindra Bank Limited	Holding Company	Clearing Charges, outsourcing expenses & advisory expenses	14,479,849	14,454,138	-	(211,363)
		Interest Expenses	1,204,200	8,592,427	-	-
		Bank Balances	-	-	64,449,607	37,846,666
Kotak Mahindra Asset Management Company Limited	Fellow Group Entities	Investment advisory fees expenses	33,096,849	22,095,439	-	-
Premier Investments Fund Limited	Investment Manager	Investment management & performance fee income	130,528,447	215,987,337	11,981,480	12,909,734
INQ Holdings LLC	Investment Manager	Investment management income	77,171,789	42,955,754	-	855,357
Green Maidan A 2013 Trust	Investment Manager & other services	Investment management fees & service fee income	87,967,966	57,682,222	461,664	438,497
CPPIB Credit Investment INC	Investment Manager	Investment management income	-	-	-	-
Kotak Mahindra Mutual Fund	Fellow Group Entities	Referral/ trail fees income	2,590,385	3,574,909	458,400	656,312
Kotak Infinity Fund	Investment Manager & other services	Investment management, performance & service fee income	27,626,824	49,941,528	2,992,555	4,200,073

Schedules

 forming part of Balance Sheet and Profit and Loss Account

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 Advantage Fund X	Investment Manager	Investment management income	961,495	202,395	125,288	298,827
Kotak Advantage Fund XI	Investment Manager	Investment management income	890,803	226,953	105,100	45,557
Kotak Fixed Term Fund-XII	Investment Manager	Investment management income	4,277,900	4,922,187	2,736,429	5,474,309
Kotak India Advantage Fund II	Investment Manager	Investment management income	8,065,518	5,925,974	3,248,468	673,127
Kotak India Advantage Fund IV	Investment Manager	Investment management income	4,962,299	2,918,222	454,957	726,506
Kotak Fixed Term Fund-IX	Investment Manager	Investment management income	3,665,147	2,966,951	208,571	-
IQ EQ Fund Services (Mauritius) Limited	Administrator	Administration & payroll expense	699,213	644,569	287,685	332,001
Kotak Mahindra Asset Management (Singapore)Pte. Limited	Fellow Group Entities	Investment Advisory Expenses	13,237,749	-	(282,927)	-
K Global Advantage Fund	Investment Manager	Investment management fees	960,528	-	2,223,161	-
Directors remuneration included in "Employee cost"			28,230,048	20,672,617	-	-

During the year compensation to Key Managerial Personnel was ₹ 27,915,402 (Previous year ₹ 20,382,561).

3.28 Previous years figures have been regrouped, reclassified wherever necessary to conform with figures of the current year.

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: 26th April 2019

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan **Doomraj Sooneelall**
Director Director

Dated: 25th April 2019



Kotak Mahindra Bank Limited, 27BKC,
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BSE: 500247 | NSE: KOTAKBANK | Bloomberg: KMB:IN

CIN: L65110MH1985PLC038137