

Never
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Kotak Mahindra Asset Management (Singapore) Pte. Limited

Annual Report 2020-21

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Directors' Report

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the member together with the audited financial statements of Kotak Mahindra Asset Management (Singapore) Pte. Ltd. (the "Company") for the year ended 31st March, 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

- 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 31st March, 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date and
- 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.

DIRECTORS

The Directors of the Company in office at the date of this statement are:

Nitin Tejpal Jain

Ruchit Puri

Gaurang Balkrishna Shah

Nileshkumar Dhirajlal Shah

Shyam Kumar Syamasundaran

Arrangements to enable Directors to acquire shares or debentures

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 object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

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	Direct Interest		Deemed interest	
	At beginning of financial year or date of appointment	At end of financial year	At beginning of financial year or date of appointment	At end of financial year
Holding Company: Kotak Mahindra Bank Limited (Ordinary shares)				
Nitin Tejpal Jain	211,948	205,948	–	–
Ruchit Puri	135,704	135,704	–	–
Gaurang Balkrishna Shah	828,564	855,390	–	–
Nileshkumar Dhirajlal Shah	81,416	144,763	–	–
Shyam Kumar Syamasundaran (Options to subscribe for ordinary shares)	51,851	69,115	2,000	2,000
Gaurang Balkrishna Shah	224,430	157,134	–	–
Nileshkumar Dhirajlal Shah	218,084	202,437	–	–
Shyam Kumar Syamasundaran	19,364	–	–	–

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:

- (a) no options granted by the Company to any person to take up unissued shares in the Company; and
- (b) 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 31st March, 2021 amounted to ₹ 315,051,882 (2020: ₹ 475,793,529).

The Company declared and paid a dividend of ₹ Nil (2020: ₹ Nil) during year.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

30th April, 2021

Independent Auditor's Report

To,

The Members of

KOTAK MAHINDRA ASSET MANAGEMENT (SINGAPORE) PTE. LIMITED.

The financial statements of Kotak Mahindra Asset Management (Singapore) Pte. Limited (the "Company") as at 31st March, 2021, being a company registered in the Singapore, are audited by Ernst & Young LLP, Public Accountants & Chartered Accountants, Singapore and we have been furnished with their audit report dated 27th April, 2021.

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, 2021, 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, 2021, 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 Ernst & Young LLP, Public Accountants and 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: 30th April, 2021
UDIN: 21042649AAAKQS3637

A.N. Shah
Partner
M. No. 042649

Balance Sheet

as at 31st March, 2021

(Amounts in ₹)

Particulars	Schedule	As at 31 st March, 2021	As at 31 st March, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	93,970,000	93,970,000
(b) Reserves and surplus	3.2	1,724,593,577	1,468,520,269
2 Non-current liabilities			
(a) Deferred tax liability		734,779	1,158,137
(b) Long-term provisions	3.3	17,874,597	11,420,080
3 Current liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		55,394,354	63,707,672
(b) Other current liabilities	3.4	26,148,546	26,248,613
(c) Short-term provisions	3.5	78,170,191	71,886,596
Total		1,996,886,045	1,736,911,367
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.6	4,065,945	6,104,363
(b) Long-term loans and advances	3.8	1,677,496	1,553,101
(c) Non- Current Investments	3.7	800,258,949	-
2 Current assets			
(a) Current Investments	3.7	74,003,824	-
(b) Trade receivables	3.9	161,640,837	147,340,455
(c) Cash and Cash Equivalents	3.10	331,792,221	1,561,440,284
(d) Short-term loans and advances	3.11	613,139,428	9,435,133
(e) Other current assets	3.12	10,307,345	11,038,031
Total		1,996,886,045	1,736,911,367
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: 30th April, 2021

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 30th April, 2021

Profit and Loss Account

for the year ended 31st March, 2021

(Amounts in ₹)

Particulars	Schedule	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
I. Revenues from operations			
Service Income (net)		583,529,833	722,289,839
II. Income from investments (net)		9,609,623	-
III. Other income	3.13	27,472,598	28,452,687
Total Revenue		620,612,054	750,742,526
IV. Expenses:			
Employee benefit expenses	3.14	180,701,383	135,805,787
Finance cost	3.15	1,375,686	1,308,359
Depreciation and Amortisation expense	3.6	2,695,295	1,843,527
Other expenses	3.16	86,936,252	82,009,655
Total expenses		271,708,617	220,967,328
V. PROFIT / (LOSS) BEFORE TAX		348,903,438	529,775,199
VI. Tax expense			
(a) Current tax			
- Pertaining to profit/ (loss) for the current period		37,633,453	54,584,223
- Adjustment of tax relating to earlier periods		(3,391,744)	(1,099,504)
(b) Deferred tax		(390,153)	496,950
VII. PROFIT / (LOSS) FOR THE PERIOD		315,051,882	475,793,529
VIII. Earnings per equity share:			
Basic and Diluted	3.20	157.53	237.90
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: 30th April, 2021

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 30th April, 2021

Cash Flow Statement

for the year ended 31st March, 2021

(Amounts in ₹)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Cash Flow from Operating Activities		
Net Profit / (Loss) before taxation	348,903,438	529,775,199
Adjustments for:		
- Bad debts written off	1,195,584	201,972
- Provision for doubtful debts	(5,000,417)	3,098,024
- Depreciation & Amortization	2,695,295	1,843,527
- Loss on Assets written off	-	229,267
- Exchange Adjustments (net)	(58,911,793)	122,503,745
- Interest Income	(1,182,841)	-
- Interest on deposits	(20,982,207)	(28,387,853)
- Interest Income on Debentures	(15,880,727)	-
- Mark to market on Investments	773,819	-
- Amortisation of premium/ accretion of discount on bonds and convertible bonds	6,576,022	-
- Realised loss/ (gain) on disposal of available-for-sale investments	(304,918)	-
- Foreign Exchange Loss (net)	4,890,643	3,827,641
Operating Profit / (Loss) before Working Capital Changes	262,771,899	633,091,522
Adjustments for:		
(Increase) / Decrease in Trade receivables	(10,495,550)	34,776,604
(Increase) / Decrease in Short-term loans and advances	(603,704,295)	477,122
(Increase) / Decrease in Long-term loans and advances	(124,395)	(1,051,779)
Increase / (Decrease) in Trade payable	(8,313,318)	32,911,668
Increase / (Decrease) in Short-term provisions	609,876,094	(13,668,375)
Increase / (Decrease) in Other current liabilities	(100,067)	(2,194,418)
Increase / (Decrease) in Long-term provisions	6,454,517	253,162
Cash Generated / (Used in) from Operations	256,364,884	684,595,506
Direct taxes paid	(52,987,412)	(80,264,161)
NET CASH FLOW (USED IN)/ FROM OPERATING ACTIVITIES (A)	203,377,472	604,331,346
Cash Flow from Investing Activities		
Purchase of fixed assets	(834,857)	(5,971,886)
Fixed Deposits (placed)/matured during the year	1,448,965,834	(964,880,834)
Interest Income on Term Loan	1,182,841	-
Interest received	32,020,238	22,933,853
Interest Income on Debt instruments	5,573,382	-
Purchase of Investments	(904,326,417)	-
Disposal of Investments	23,129,920	-
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)	605,710,939	(947,918,866)
Cash Flow from Financing Activities		
Loan given to fellow subsidiaries	(584,880,000)	-
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	(584,880,000)	-
Net Increase in Cash and Cash Equivalents (A + B + C)	224,208,411	(343,587,521)
Cash and Cash Equivalents at the beginning of the year	112,474,450	459,889,613
Effect of Foreign Exchange Loss (net)	(4,890,643)	(3,827,641)
Cash and Cash Equivalents at the end of the period	331,792,221	112,474,450
	224,208,411	(343,587,521)

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

For **V. C. Shah & Co.**

Chartered Accountants

Firm Registration No. 109818W

A.N. Shah

Partner

Membership No. 042649

Mumbai

Dated: 30th April, 2021

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 30th April, 2021

Schedules

Forming part of the Financial Statements as at 31st March, 2021

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, #35-04A, Hong Leong Building, Singapore 048581.

The principal activity of the Company is fund 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 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 realisation 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 Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long-term investments are stated at cost less other than temporary diminution. Current investments are valued at cost or market value / fair value which ever is lower.

Schedules

Forming part of the Financial Statements as at 31st March, 2021

2.7 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.

2.8 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 recognised, 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.

2.9 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.

2.10 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.

2.11 Employee Share based payments

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 straight-line 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 the Financial Statements as at 31st March, 2021

2.12 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. 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.

2.13 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 the Financial Statements as at 31st March, 2021

SCHEDULE 3 NOTES TO ACCOUNTS

3.1 (a) Share capital

(Amounts in ₹)

Share Capital	As at 31 st March, 2021	As at 31 st March, 2020
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 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
	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 shares	As at 31 st March, 2021	As at 31 st March, 2020
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 SGD 1 fully paid up

	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2020
	shares	% holding	shares	% holding
Kotak Mahindra Bank Limited	2,000,000	100.00%	2,000,000	100.00%

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.2 Reserves and Surplus

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Translation reserve		
Opening Balance	145,113,063	22,178,337
Additions/(deductions) during the period	(58,978,574)	122,934,727
Closing Balance	86,134,489	145,113,063
Surplus in the statement of profit and loss		
Opening balance	1,323,407,206	847,613,676
Net Profit / (Loss) for the current year	315,051,882	475,793,529
Closing Balance	1,638,459,088	1,323,407,206
Total	1,724,593,577	1,468,520,269

3.3 Long-term provisions

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits		
Stock Appreciation Rights (refer note 3.18)	16,770,417	11,420,080
Deferred Incentive	1,104,180	-
Total	17,874,597	11,420,080

3.4 Other current liabilities

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Other payable	25,850,835	25,561,441
Expenses payable to group companies	297,710	687,172
Total	26,148,546	26,248,613

3.5 Short-term provisions

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits:		
Provision for Stock Appreciation Rights (refer note 3.18)	37,516,267	15,041,578
Deferred Incentive	988,593	-
Payable to statutory funds	555,114	539,631
Other Provisions:		
Provision for taxes (net of Advance tax of ₹ 57,015,556)	37,592,888	56,305,387
GST payable	1,517,329	-
Total	78,170,191	71,886,596

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.6 Property, Plant and Equipment

(Amounts in ₹)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 st April, 2020	Additions	Deduction / Adjustment*	Balance as at 31 st March, 2021	Balance as at 1 st April, 2020	Depreciation charge for the year	Deduction / Adjustment*	Balance as at 31 st March, 2021	Balance as at 31 st March, 2021	Balance as at 31 st March, 2020
Tangible Assets										
Computer & Software	4,292,007	834,857	157,560	4,969,304	1,472,392	1,420,784	71,214	2,821,962	2,147,342	2,819,615
Furniture and Fittings	3,027,435	-	102,257	2,925,179	330,732	990,041	26,147	1,294,626	1,630,553	2,696,704
Office equipment	2,146,832	-	72,493	2,074,339	1,558,758	284,469	56,938	1,786,289	288,050	588,074
Total	9,466,274	834,857	332,309	9,968,822	3,361,881	2,695,295	154,299	5,902,877	4,065,945	6,104,393
Previous Year	3,759,365	5,971,887	264,978	9,466,274	1,985,076	1,843,527	466,721	3,361,881	6,104,393	1,774,289

* Deduction / adjustments include effect of translation reserve of ₹ 332,309 /- (Previous year - ₹ 693,298/-) for gross block and ₹ 154,299 /- (Previous year - ₹ 262,316/-) for accumulated depreciation.

3.7 Investments

(Amounts in ₹)

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2021	31 st March, 2021	31 st March, 2020	31 st March, 2020
Investments				
Foreign Currency Bonds				
IOCLIN 5.75% 08/01/23	1,500,000	118,718,736	-	-
CBKIN 3.25% 08/10/22	1,000,000	74,268,622	-	-
BPCLIN 4.375 01/24/22 EMTN	1,000,000	74,003,824	-	-
POWER GRID CIL 3.875% 01/17/23	4,000,000	303,494,159	-	-
MUTHIN 6.125 10/31/22	2,500,000	188,943,859	-	-
MGFLIN 5.9 01/13/23	1,512,000	115,595,685	-	-
Total		875,024,884		-
Less: Provision for diminution		762,112		-
Total Bonds and Convertible Debentures		874,262,773		-
Total Current Investments		74,003,824		-
Total Non-Current Investments		800,258,949		-
Aggregate value of quoted investments		874,262,773		-
Aggregate market value of quoted investments		880,223,991		-
Aggregate value of unquoted investments		-		-

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.8 Long Term Loans and Advances

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good		
Security Deposits	1,586,804	1,553,101
Prepaid expenses	90,692	-
Total	1,677,496	1,553,101

3.9 Trade Receivables

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good, unless otherwise stated		
Outstanding for a period exceeding six months from date they are due for payment	-	-
Others	161,640,837	147,340,455
Considered doubtful	2,620,847	6,307,584
Less: Provision for doubtful debts	(2,620,847)	(6,307,584)
Total	161,640,837	147,340,455

3.10 Cash and cash equivalents

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks:		
On Current accounts	331,792,221	112,474,450
Deposits with original maturity of less than 3 months	-	-
Other Bank Balances		
Deposits with residual maturity of less than 12 months	-	1,448,965,834
Total	331,792,221	1,561,440,284

3.11 Short-term loans and advances

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good		
Prepaid expenses	20,030,975	2,428,000
GST Input Credit	8,228,453	6,992,896
Other Advances	-	14,237
Loan to fellow subsidiary	584,880,000	-
Total	613,139,428	9,435,133

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.12 Other Current Assets

(Amounts in ₹)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good		
Receivable from shareholder	-	-
Interest accrued on deposit	-	11,038,031
Interest accrued on bonds	10,307,345	-
Total	10,307,345	11,038,031

3.13 Other income

(Amounts in ₹)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest income on loans	1,182,841	-
Interest income on fixed deposits	20,982,207	28,387,853
Miscellaneous income	5,307,551	64,834
Total	27,472,598	28,452,687

3.14 Employee benefit expense

(Amounts in ₹)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salaries, bonus and allowances	97,050,445	90,981,927
Contribution to provident and other funds	4,820,611	2,484,050
Deferred Incentive	5,818,518	3,312,406
Expenses on stock appreciation rights	66,946,385	33,744,462
Staff Welfare	6,065,424	5,282,943
Total	180,701,383	135,805,787

3.15 Finance cost

(Amounts in ₹)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Bank charges	1,375,686	1,308,359
Total	1,375,686	1,308,359

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.16 Other expenses

(Amounts in ₹)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Auditor's remuneration	3,416,370	3,830,518
- Statutory fees	3,379,253	3,670,433
- Reimbursement of expenses	37,117	160,085
Foreign Exchange Loss (net)	4,890,643	3,827,641
Professional and legal fees	38,396,270	39,257,217
Licensing Expenses	338,654	521,180
Membership and subscription	2,443,341	2,356,786
Insurance	9,156,683	6,765,801
Advertising, business promotion and entertainment	1,648,399	749,499
Communication expenses	616,207	623,766
Dealing Expense	17,592,711	7,165,246
Rent	4,221,904	4,531,177
Repairs and maintenance	5,005,822	4,333,808
Miscellaneous expenses	62,629	4,344,146
Provision for doubtful debts	(5,000,417)	3,098,024
Bad debts written off	1,195,584	201,972
Training Expenses	113,799	126,464
Electricity Expenses	31,679	47,142
Mark to market loss on investments	773,819	-
Royalty Charges	1,845,956	-
Custodial Charges	144,056	-
Recruitment Expenses	42,144	-
Asset Written off	-	229,267
Total	86,936,252	82,009,655

3.17 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 the Financial Statements as at 31st March, 2021

3.18 Operating leases

At 31st March, 2021, the Company was committed to making the following lease rental payments under a non-cancellable operating lease:

(Amounts in ₹)

Particulars	2021	2020
Payable:		
- Within one year	4,120,260	3,996,711
- Between two and five years	1,396,693	5,328,948
	5,516,954	9,325,658

3.19 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 3.43 years to 3.66 years.

Detail of activity under SAR is summarised below:

No. of SARs

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Outstanding at the beginning of the year	167,308	141,469
Granted during the year	44,960	91,260
Additions/Reduction due to transfer of employees	-	-
Exercised during the year	71,762	65,421
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	140,506	167,308

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

Year ended 31 st March,	2021	2020
Total Employee Compensation Cost pertaining to share-based payment plans	66,946,385	33,744,462
Closing balance of liability for cash-settled options	54,286,684	26,461,659

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 lower by ₹ 3,901,533 (Previous year - higher by ₹ 4,969,512) and the profit after tax would have been higher by ₹ 3,516,451 (Previous year - lower by ₹ 4,464,334).

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3.20 Earnings per equity share

(Amounts in ₹)

Particulars	As on	
	31 st March, 2021	31 st March, 2020
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	315,051,882	475,793,529
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	SGD 1	SGD 1
Basic and diluted earnings / (loss) per share (₹) A/B	157.53	237.90

3.21 Deferred tax

(Amounts in ₹)

Particulars	As on	
	31 st March, 2021	31 st March, 2020
Opening Balance	1,158,137	573,553
Additions/(deductions) during the period		
- due to expense of share based payment cash settled	(3,391,744)	496,950
- due to transalation	(2,968,387)	(87,634)
Closing Balance	734,779	1,158,137

3.22 Related Party Transactions

During the year ended 31st March, 2021, the Company entered into transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

(Amounts in ₹)

Particulars				Volume of transaction for the year ended		Receivable / (Payable)	
				Balance as at			
				31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Related Parties	Nature of relationship	Nature of transactions					
Kotak Mahindra Bank Limited	Ultimate Parent Company	Outsourcing Costs	(30,359,337)	(33,185,442)	-	-	
Kotak Mahindra Bank Limited	Ultimate Parent Company	Royalty Charges	(1,845,956)	-	-	-	
Kotak Investment Advisors Limited	Fellow Group Entity	Investment advisory expense	(26,275,509)	(21,748,086)	-	-	
Kotak Mahindra Inc	Fellow Group Entity	Service fees expenses	(41,620,566)	(32,975,592)	(709,949)	(1,026,534)	
Kotak Mahindra UK Limited	Fellow Group Entity	Distribution fees	(763,334,981)	(991,829,214)	(11,154,306)	(17,228,690)	
Kotak Mahindra Asset Management Company Ltd	Fellow Group Entity	Investment advisory expense	(25,412,371)	(21,305,803)	(2,108,333)	-	
Kotak Mahindra UK Limited	Fellow Group Entity	Custody fee expense	(144,056)	-	-	-	
Kotak Mahindra (International) Limited	Fellow Group Entity	Loans and advances	-	-	584,880,000	-	
K Advantage Opportunities Fund	Investment Manager	Fund promotion expenses	(1,623,859)	(30,112,161)	-	-	
K Fixed Income Opportunities Fund	Investment Manager	Fund promotion expenses	(10,744,696)	(12,255,200)	-	-	

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Forming part of the Financial Statements as at 31st March, 2021

(Amounts in ₹)

Particulars			Volume of transaction for the year ended		Receivable / (Payable)	
			31 st March, 2021	31 st March, 2020	Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Kotak Mahindra UK Limited	Fellow Group Entities	Portfolio Management Income	3,618,634	846,414	-	-
Kotak Mahindra (International) Limited	Fellow Group Entities	Portfolio Management Income	19,419,423	21,858,855	953,559	91,367
Kotak Mahindra (International) Limited	Fellow Group Entities	Interest on loan	1,182,841	-	-	-
K Fixed Income Opportunities Fund	Investment Manager	Investment Management Income	36,102,109	12,435,556	2,485,981	2,225,149
K Advantage Opportunities Fund	Investment Manager	Investment Management Income	349,826	39,129,050	281,678	521,708
OMERS Administrator Corporation	Investment Manager	Investment Management Income	28,185,065	20,088,578	22,917,945	12,926,992
Kotak Advantage Fund - 1 - Cayman Fund	Investment Manager	Investment Management Income	29,132	595,087	2,179	(508,573)
Kotak Advantage Fund IV Segregated Portfolio	Investment Manager	Investment Management Income	2,185,662	2,346,414	286,554	324,315
Kotak Advantage Fund V	Investment Manager	Investment Management Income	3,706,572	3,654,950	1,252,381	357,564
Kotak Fixed Term Fund- VII Segregated Portfolio	Investment Manager	Investment Management Income	-	9,029	219,628	3,537
Kotak Fixed Term Fund - XIII Segregated Portfolio	Investment Manager	Investment Management Income	-	-	-	18,538
Kotak Infinity Fund	Investment Manager	Investment Management Income	5,566,629	58,902,117	(611,336)	2,703,843
Core India Infrastructure Fund Pte. Ltd	Investment Manager	Investment Management Income	79,227,948	75,619,166	-	-
BIF India Cactus Pte Ltd	Investment Manager	Investment Management Income	1,913,331	1,867,141	471,244	529,268
BIF India Holdings Pte Ltd	Investment Manager	Investment Management Income	1,044,835	999,456	272,054	283,912
Kinetic Holdings 1 Pte. Ltd	Investment Manager	Investment Management Income	7,653,116	7,459,259	1,937,737	2,124,877
Kotak Global Funds	Investment Manager	Investment Management Income	1,904,273	2,154,606	617,828	68
Global Investment Opportunities Fund Limited	Investment Manager	Investment Management Income	1,231,719	1,219,197	103,502	79,740
Kotak India Advantage Fund - III	Investment Manager	Investment Management Income	9,615,480	15,996,975	-	1,553,990
Kotak Funds - India Growth Fund	Investment Manager	Investment Management Income	104,286,995	154,254,586	9,166,690	8,849,239
Kotak Funds - India Midcap Fund	Investment Manager	Investment Management Income	1,048,659,901	1,232,312,618	99,725,146	86,378,099
Kotak Funds - India Fixed Income Fund	Investment Manager	Investment Management Income	9,355,183	10,115,355	592,403	(2,411,292)
K Debt Opportunities Fund Limited - I	Investment Manager	Investment Management Income	50,056,137	109,026,413	2,533,441	7,072,547

Schedules

Forming part of the Financial Statements as at 31st March, 2021

Particulars			Volume of transaction for the year ended		(Amounts in ₹)	
					Receivable / (Payable)	
Related Parties	Nature of relationship	Nature of transactions			Balance as at	
			31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Kotak India Consumption Fund Ltd	Investment Manager	Investment Management Income	1,325,603	2,188,020	62,638	98,488
Kotak Investment Opportunities Fund Limited	Investment Manager	Investment Management Income	52,560	(44,859)	(5,458)	(36,471)
KB Asset Management Company	Investment Manager	Investment Management Income	2,789,519	3,685,830	543,044	866,037
K India Income Fund	Investment Manager	Investment Management Income	123,066,001	134,466,903	10,515,025	12,211,113
Kotak Fixed Term Fund XIV	Investment Manager	Investment Management Income	-	-	-	89,118
Kotak Advantage Fund I-Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	8,576
Kotak Advantage Fund X-Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	12,168
K Debt Opportunities Fund Limited - II	Investment Manager	Reimbursement of Expenses	-	-	-	60,532
Kotak Advantage Fund - IX Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	105,920
Kotak Advantage Fund - VIII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	83,216
Kotak Advantage Fund XI	Investment Manager	Reimbursement of Expenses	-	-	10,149	10,504
Kotak Advantage Fund - XIII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	35,311
Kotak Advantage Fund - XII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	20,418
Kotak Advantage Fund XIV Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	90,685
Kotak Fixed Term Fund - IV Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	22,700
Kotak Fixed Term Fund - VI Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	22,700
Kotak Fixed Term Fund - XVI	Investment Manager	Reimbursement of Expenses	-	-	-	78,680
Kotak Fixed Term - II Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	-
Kotak Fixed Term Fund XV	Investment Manager	Reimbursement of Expenses	-	-	-	95,194
Kotak Global Bond Fund Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	951,166	819,052
Kotak India Advantage Fund - I	Investment Manager	Reimbursement of Expenses	3,214	-	3,165	-
Kotak WM India Fund	Investment Manager	Reimbursement of Expenses	-	-	-	75,665
Kotak Fixed Term Fund - VIII Segregated Portfolio			-	-	33,435	-
	Investment Manager	Reimbursement of Expenses	641,170,376	767,775,219	726,229,192	119,639,267

During the year compensation to Key Managerial Personnel was ₹ 47.11 million (Previous year - ₹ 40.90 million).

Schedules

Forming part of the Financial Statements as at 31st March, 2021

3.23 Salaries, bonus and allowances includes contribution to PF amounting to ₹ 1,232,047

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

3.25 In the first quarter of 2020, the outbreak of COVID-19 was declared a pandemic. In an attempt to contain the spread and impact of the pandemic, travel bans and restrictions, quarantines, shelter-in-place orders and other limitations on business activity were implemented. Additionally, there has been a decline in global economic activity, reduced global economic output and a deterioration in macroeconomic conditions globally. This pandemic and the consequent lockdown has taken a toll on human lives and has impacted a whole range of economic activities adversely. Although vaccines have been administered to more people around the globe, COVID-19 cases have significantly increased in recent months across many regions of the world. In response to the pandemic, the Company has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The Company is closely monitoring the impact of the outbreak of COVID-19 on all aspects of its business. The Company, however, has not experienced any significant disruptions in the past one year and did not experience a materially adverse impact on reported results.

The future direct and indirect impact of COVID-19 on Company business, results of operations, financial position and cash flows remains uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The most likely impact going forward will be on the revenue which is predominantly derived based on the Assets under Management ("AUM") of funds managed by the Company. The Company has witnessed a decrease in AUM since December 2019 when COVID-19 was first reported.

The impact of the global health pandemic may be different from that estimated as at the date of approval of Company's financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

However, management of the Company has performed a COVID-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios to assess the potential impact that COVID-19 may have on the Company's revenue, liquidity and regulatory capital position.

Having performed this analysis management believes that Company's regulatory capital requirements continue to be met and it has sufficient liquidity to meet its liabilities for next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

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: 30th April, 2021

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 30th April, 2021



Kotak Mahindra Asset Management (Singapore) Pte. Limited
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Company Registration Number: 201406526Z