

Directors Report

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 31 March 2020.

Opinion of the directors

In the opinion of the directors,

- (a) the Company's accounts are drawn up in accordance with the provision of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards. The financial statements set out are presented in Indian Rupees prepared on the basis of the aforesaid accounts to comply with the requirements of section 129 of Companies Act, 2013 in India so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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	211,948	-	-
Ruchit Puri	135,704	135,704	-	-
Gaurang Balkrishna Shah	843,467	828,564	-	-
Nileshkumar Dhirajlal Shah	36,741	81,416	-	-
Shyam Kumar Syamasundaran	61,775	51,851	2,000	2,000
(Options to subscribe for ordinary shares)				
Gaurang Balkrishna Shah	180,467	224,430	-	-
Nileshkumar Dhirajlal Shah	167,819	218,084	-	-
Shyam Kumar Syamasundaran	24,510	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 31 March 2020 amounted to ` 475,793,529 (2019: ` 521,568,577).

The Company declared and paid a dividend of ` Nil (2019: ` 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

06 May, 2020

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, 2020, being a company registered in Singapore, are audited by Ernst & Young LLP, Public Accountants & Chartered Accountants, Singapore and we have been furnished with their audit report dated 29th April, 2020.

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 MANGEMENT (SINGAPORE) PTE. LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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, 2020, 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

A. N. Shah
Partner
M. No. 042649

Place: Mumbai
Date: 06th May, 2020
UDIN: 20042649AAAVQY3128

Balance Sheet

as at 31st March, 2020

Particulars	Note No.	As at	As at
		31 st March 2020	31 st March 2019
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	9,39,70,000	9,39,70,000
(b) Reserves and surplus	3.2	1,46,85,20,269	86,97,92,012
2 Non-current liabilities			
(a) Deferred tax liability		11,58,137	5,73,553
(b) Long-term provisions	3.3	1,14,20,080	1,11,66,918
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		6,37,07,672	3,07,96,004
(b) Other current liabilities	3.4	2,62,48,613	2,84,43,031
(c) Short-term provisions	3.5	7,18,86,596	11,24,22,046
TOTAL		1,73,69,11,367	1,14,71,63,565
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.6	61,04,363	17,74,289
(b) Long-term loans and advances	3.7	15,53,101	5,01,322
2 Current assets			
(a) Trade receivables	3.8	14,73,40,455	18,54,17,055
(b) Cash and Cash Equivalents	3.9	1,56,14,40,284	94,39,74,613
(c) Short-term loans and advances	3.10	94,35,133	99,12,254
(d) Other current assets	3.11	1,10,38,031	55,84,031
TOTAL		1,73,69,11,367	1,14,71,63,565
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: 06 May, 2020

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 06 May, 2020

Profit and Loss Account

for the year ended 31st march, 2020

Particulars	Note No.	For the year ended	For the year ended
		31 st March 2020	31 st March 2019
		₹	₹
I. REVENUES FROM OPERATIONS			
(a) Service Income (net)		72,22,89,839	82,32,81,490
II. Other income	3.12	2,84,52,687	1,00,83,392
III. TOTAL REVENUE		75,07,42,526	83,33,64,882
IV. Expenses:			
Employee benefit expenses	3.13	13,58,05,787	14,21,90,987
Finance cost	3.14	13,08,359	34,26,387
Depreciation and Amortisation expense	3.6	18,43,527	12,28,714
Other expenses	3.15	8,20,09,655	8,06,05,135
Total expenses		22,09,67,328	22,74,51,222
V. PROFIT / (LOSS) BEFORE TAX		52,97,75,199	60,59,13,660
VI. TAX EXPENSE			
(a) Current tax			
- Pertaining to profit/ (loss) for the current period		5,45,84,223	8,42,68,693
- Adjustment of tax relating to earlier periods		(10,99,504)	-
(b) Deferred tax		4,96,950	76,390
VII. PROFIT / (LOSS) FOR THE PERIOD		47,57,93,529	52,15,68,577
VIII. EARNINGS PER EQUITY SHARE:			
Basic and Diluted	3.19	237.90	260.78
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: 06 May, 2020

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 06 May, 2020

Cash Flow Statement

for the year ended 31st march, 2020

Particulars	For the Year ended	For the Year ended
	31 st March, 2020	31 st March, 2019
	₹	₹
Cash Flow from Operating Activities		
Net Profit / (Loss) before taxation	52,97,75,199	60,59,13,660
Adjustments for:		
- Bad debts written off	2,01,972	74,37,300
- Provision for doubtful debts	30,98,024	-
- Depreciation & Amortization	18,43,527	12,28,714
- Loss on Assets written off	2,29,267	-
- Exchange Adjustments (net)	12,25,03,745	1,99,27,445
- Interest on deposits	(2,83,87,853)	(1,00,01,775)
- Foreign Exchange Loss (net)	38,27,641	54,35,773
Operating Profit / (Loss) before Working Capital Changes	63,30,91,522	62,99,41,117
Adjustments for:		
(Increase) / Decrease in Trade receivables	3,47,76,604	2,25,84,138
(Increase) / Decrease in Short-term loans and advances	4,77,122	1,47,12,783
(Increase) / Decrease in Long-term loans and advances	(10,51,779)	3,28,667
Increase / (Decrease) in Trade payable	3,29,11,668	(8,95,73,534)
Increase / (Decrease) in Short-term provisions	(1,36,68,375)	1,39,25,900
Increase / (Decrease) in Other current liabilities	(21,94,418)	(12,08,299)
Increase / (Decrease) in Long-term provisions	2,53,162	11,70,663
Cash Generated / (Used in) from Operations	68,45,95,506	59,18,81,435
Direct taxes paid	(8,02,64,161)	(6,71,07,774)
NET CASH FLOW (USED IN)/ FROM OPERATING ACTIVITIES (A)	60,43,31,346	52,47,73,661
Cash Flow from Investing Activities		
Purchase of fixed assets	(59,71,886)	(7,51,937)
Fixed Deposits (placed)/redeemed during the year	(96,48,80,834)	(41,94,81,520)
Interest received	2,29,33,853	46,84,173
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)	(94,79,18,866)	(41,55,49,283)
Cash Flow from Financing Activities		
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash and Cash Equivalents (A + B + C)	(34,35,87,521)	10,92,24,377
Cash and Cash Equivalents at the beginning of the year	45,98,89,613	35,61,01,009
Effect of Foreign Exchange Loss (net)	(38,27,641)	(54,35,773)
Cash and Cash Equivalents at the end of the period	11,24,74,450	45,98,89,613
	(34,35,87,521)	10,92,24,377

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 cash flow statement referred 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: 06 May, 2020

For and on Behalf of the Board of Directors

Nitin Jain
Director & CEO

Ruchit Puri
Director

Dated: 06 May, 2020

Schedules

Forming part of Balance Sheet and Profit and Loss Account

1 ORGANISATION AND NATURE OF BUSINESS

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. ("the Company"), a company incorporated on 7th March, 2014 in Singapore, has its registered office at 16 Raffles Quay, #35-04A, Hong Leong Building, Singapore 048581.

The principal activity of the Company is investment management. The Company has obtained Capital Market Services License for fund management under the Securities and Futures Act (Chapter 289) from the Monetary Authority of Singapore (the "MAS") on 14th March, 2016. The immediate and ultimate holding company is Kotak Mahindra Bank Limited which is incorporated in India.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

2.1 Basis of Preparation

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

2.2 Conversion to Indian Rupees

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

2.3 Use of estimates

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

2.4 Revenue Recognition

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

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

2.5 Cash and cash equivalents

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

2.6 Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders

Schedules

Forming part of Balance Sheet and Profit and Loss Account

and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.7 Taxes

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

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

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

2.8 Provisions and Contingencies

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

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

2.9 Share options

During the year, there were:

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

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

2.10 Employee 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 straightline basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the statement of profit and loss under 'Employee Benefit Expense'.

Schedules

Forming part of Balance Sheet and Profit and Loss Account

2.11 Property, Plant and Equipment

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

2.12 Leases

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

Schedules

Forming part of Balance Sheet and Profit and Loss Account

3 NOTES TO ACCOUNTS

3.1 (a) Share capital

Share Capital	As at	As at
	31 st March 2020	31 st March 2019
	₹	₹
Issued, Subscribed and fully Paid up		
2,000,000 (Previous year 2,000,000) Equity Shares of SGD 1 each	9,39,70,000	9,39,70,000
TOTAL	9,39,70,000	9,39,70,000

(b) Equity shares

Reconciliation of equity share capital	As at	As at	As at	As at
	31 st March 2020	31 st March 2020	31 st March 2019	31 st March 2019
	Quantity	₹	Quantity	₹
Share capital outstanding at the beginning of the year	20,00,000	9,39,70,000	20,00,000	9,39,70,000
Issued during the period	-	-	-	-
Share capital outstanding at the end of the year	20,00,000	9,39,70,000	20,00,000	9,39,70,000

(c) Terms/rights attached to equity shares

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

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

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

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

Number of equity share	As at	As at
	31 st March 2020	31 st March 2020
Kotak Mahindra Bank Limited	20,00,000	20,00,000

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

Equity shares of SGD 1 fully paid up

	As at 31 March 2020		As at 31 March 2019	
	number	% holding	number	% holding
Kotak Mahindra Bank Limited	20,00,000	100.00%	20,00,000	100.00%

Schedules

Forming part of Balance Sheet and Profit and Loss Account

3.2 Reserves and Surplus

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
a. Translation Reserve		
Opening Balance	2,21,78,337	21,16,414
Additions/(deductions) during the period	12,29,34,727	2,00,61,923
Closing Balance	14,51,13,063	2,21,78,337
b. Surplus in the statement of profit and loss		
Opening balance	84,76,13,676	32,60,45,099
Net Profit / (Loss) for the current year	47,57,93,529	52,15,68,577
Closing Balance	1,32,34,07,206	4 84,76,13,676
TOTAL	1,46,85,20,269	86,97,92,013

3.3 Long-term provisions

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Provision for employee benefits		
Stock Appreciation Rights (refer note 3.18)	1,14,20,080	1,11,66,918
TOTAL	1,14,20,080	1,11,66,918

3.4 Other current liabilities

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Other payable	2,55,61,441	2,72,65,376
Expenses payable to group companies	6,87,172	11,77,655
TOTAL	2,62,48,613	2,84,43,031

3.5 Short-term Provisions

	As at 31 st March 2020	As at 31 st March 2020
	₹	₹
Provision for employee benefits:		
Provision for Stock Appreciation Rights (refer note 3.18)	1,50,41,578	2,88,70,609
Payable to statutory funds	5,39,631	3,78,974
Other Provisions:		
Provision for taxes (net of Advance tax of Rs 86,296,145)	5,63,05,387	8,31,72,463
TOTAL	7,18,86,596	11,24,22,046

Schedules

Forming part of Balance Sheet and Profit and Loss Account

3.6 Property, Plant and Equipment

	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1 st April, 2019	Additions	Deduction / Adjustment*	Balance as at 31 st March, 2020	Balance as at 1 st April, 2019	Depreciation charge for the year	Deduction / Adjustment*	Balance as at 31 st March, 2020	Balance as at 31 st March, 2020	Balance as at 31 st March, 2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Computer & Software	13,84,339	26,01,255	(3,06,414)	42,92,007	6,12,478	7,51,390	(1,08,524)	14,72,392	28,19,615	7,71,860
Furniture and Fittings	7,98,491	28,35,455	6,06,510	30,27,435	4,29,583	4,91,603	5,90,454	3,30,732	26,96,704	3,68,908
Office equipment	15,76,536	5,35,177	(35,119)	21,46,832	9,43,015	6,00,534	(15,209)	15,58,758	5,88,074	6,33,521
Total	37,59,365	59,71,887	2,64,978	94,66,274	19,85,076	18,43,527	4,66,721	33,61,881	61,04,393	17,74,289
Previous Year	28,42,111	7,51,937	(1,65,317)	37,59,365	7,25,522	12,28,714	30,839	19,85,076	17,74,289	21,16,589

* Deduction / adjustments include effect of translation reserve of ₹ 693,298 /- (Previous year - ₹ 165,317/-) for gross block and ₹ 262,316 /- (Previous year - ₹ 30,839/-) for accumulated depreciation

3.7 Long Term Loans and Advances

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Unsecured, considered good		
Security Deposits	15,53,101	4,89,701
Prepaid expenses	-	11,621
TOTAL	15,53,101	5,01,322

3.8 Trade Receivables

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Unsecured, considered good, unless otherwise stated		
Outstanding for a period exceeding six months from date they are due for payment	-	-
Others	14,73,40,455	18,54,17,055
Considered doubtful	63,07,584	27,41,737
Less: Provision for doubtful debts	(63,07,584)	(27,41,737)
TOTAL	14,73,40,455	18,54,17,055

Schedules

Forming part of Balance Sheet and Profit and Loss Account

3.9 Cash and cash equivalents

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Balances with banks:		
On Current accounts	11,24,74,450	4,78,00,901
Deposits with original maturity of less than 3 months	-	41,20,88,712
Other Bank Balances		
Deposits with residual maturity of less than 12 months	1,44,89,65,834	48,40,85,000
TOTAL	1,56,14,40,284	94,39,74,613

3.10 Short-term Loans and Advances

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Unsecured, considered good		
Prepaid expenses	24,28,000	13,60,910
GST Input Credit	69,92,896	85,51,344
Other Advances	14,237	-
TOTAL	94,35,133	99,12,254

3.11 Other current assets

	As at 31 st March 2020	As at 31 st March 2019
	₹	₹
Unsecured, considered good		
Interest accrued on deposit	1,10,38,031	55,84,031
TOTAL	1,10,38,031	55,84,031

3.12 Other Income

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
	₹	₹
Miscellaneous income	64,834	81,617
Interest income on fixed deposits	2,83,87,853	1,00,01,775
TOTAL	2,84,52,687	1,00,83,392

Schedules

Forming part of Balance Sheet and Profit and Loss Account

3.13 Employee Benefit Expense

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
	₹	₹
Salaries, bonus and allowances	9,09,81,927	8,89,56,578
Contribution to provident and other funds	24,84,050	22,30,542
Deferred Incentive	33,12,406	32,65,104
Expenses on stock appreciation rights	3,37,44,462	4,18,22,076
Staff Welfare	52,82,943	59,16,686
TOTAL	13,58,05,787	14,21,90,987

3.14 Finance cost

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
	₹	₹
Bank Charges	13,08,359	34,26,387
TOTAL	13,08,359	34,26,387

3.15 Other expenses

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
	₹	₹
Auditor's remuneration	38,30,518	34,31,065
- Statutory fees	36,70,433	33,19,739
- Reimbursement of expenses	1,60,085	1,11,326
Foreign Exchange Loss (net)	38,27,641	54,35,773
Professional and legal fees	3,92,57,217	3,40,96,916
Licensing Expenses	5,21,180	2,71,346
Membership and subscription	23,56,786	28,04,052
Insurance	67,65,801	48,63,900
Advertising, business promotion and entertainment	7,49,499	12,71,845
Communication expenses	6,23,766	5,77,465
Euroclear Fees	71,65,246	69,28,183
Rent	45,31,177	42,52,938
Repairs and maintenance	43,33,808	40,50,222
Travel and conveyance expenses	42,47,377	51,41,735
Miscellaneous expenses	96,769	42,395
Provision for doubtful debts	30,98,024	-
Bad debts written off	2,01,972	74,37,300
Training Expenses	1,26,464	-
Electricity Expenses	47,142	-
Asset Written off	2,29,267	-
	8,20,09,655	8,06,05,135

Schedules

Forming part of Balance Sheet and Profit and Loss Account

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

3.17 Operating leases

At 31 March 2020, the Company was committed to making the following lease rental payments under a non-cancellable operating lease:

	2020	2019
	₹	₹
Payable:		
- Within one year	39,96,711	14,04,746
- Between two and five years	53,28,948	-
	93,25,658	14,04,746

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

3.18 Stock appreciation rights (SARs)

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

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

Detail of activity under SAR is summarized below:

	No. of SARs	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Outstanding at the beginning of the year	1,41,469	1,06,281
Granted during the year	91,260	79,160
Additions/Reduction due to transfer of employees	-	-
Exercised during the year	65,421	43,972
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	1,67,308	1,41,469

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

	₹	
Year ended March 31,	2020	2019
Total Employee Compensation Cost pertaining to share-based payment plans	3,37,44,462	4,18,22,076
Closing balance of liability for cash-settled options	2,64,61,659	4,00,37,528

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 ₹ 4,969,512 (Previous year - higher by ₹ 2,837,213) and the profit after tax would have been lower by ₹ 4,464,334 (Previous year - lower by ₹ 2,439,152).

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Forming part of Balance Sheet and Profit and Loss Account

3.19 Earnings per equity share

Particulars	As at	As at
	31 st March 2020	31 st March 2019
	₹	₹
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	47,57,93,529	52,15,68,577
Weighted average number of equity shares used in computation of basic earnings per share (B)	20,00,000	20,00,000
Nominal value of Equity shares	S\$ 1	S\$ 1
Basic and diluted earnings / (loss) per share (₹) A/B	237.90	260.78

3.20 Deferred tax

	As at	As at
	31 st March 2020	31 st March 2019
	₹	₹
Opening Balance	5,73,553	4,69,339
Additions/(deductions) during the period		
- due to expense of share based payment cash settles	4,96,950	76,390
- due to translation	(87,634)	(27,824)
Closing Balance	11,58,137	5,73,553

3.21 Related Party Transactions

During the year ended 31 March 2020, the Company entered into transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Kotak Mahindra Bank Limited	Ultimate Parent Company	Outsourcing Costs	(3,31,85,442)	(2,95,90,570)	-	-
Kotak Investment Advisors Limited	Fellow Group Entities	Investment advisory expense	(2,17,48,086)	(2,71,00,806)	-	-
Kotak Mahindra Inc	Fellow Group Entities	Service fees expenses	(3,29,75,592)	(1,89,11,979)	(10,26,534)	(6,32,756)
Kotak Mahindra UK Limited	Fellow Group Entities	Distribution Fees	(99,18,29,214)	(1,11,54,53,967)	(1,72,28,690)	(57,69,573)
Kotak Mahindra Asset Management Company Ltd	Fellow Group Entities	Investment advisory expense	(2,13,05,803)	(1,27,14,227)	-	-
K Advantage Opportunities Fund	Investment Manager	Fund promotion expenses	(3,01,12,161)	(3,41,06,130)	-	-

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, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
K Fixed Income Opportunities Fund	Investment Manager	Fund promotion expenses	(1,22,55,200)	(1,50,31,327)	-	-
Kotak Mahindra UK Limited	Fellow Group Entities	Portfolio Management Income	8,46,414	-	-	-
Kotak Mahindra (International) Limited	Fellow Group Entities	Portfolio Management Income	2,18,58,855	1,32,37,749	91,367	2,82,926
K Fixed Income Opportunities Fund	Investment Manager	Investment management Income	1,24,35,556	20,67,843	22,25,149	(15,90,844)
K Advantage Opportunities Fund	Investment Manager	Investment management Income	3,91,29,050	3,78,41,928	5,21,708	6,97,423
OMERS Administrator Corporation	Investment Manager	Investment management Income	2,00,88,578	-	1,29,26,992	-
Kotak Advantage Fund - 1 - Cayman Fund	Investment Manager	Investment management Income	5,95,087	48,07,414	(5,08,573)	99,175
Kotak Advantage Fund IV Segregated Portfolio	Investment Manager	Investment management Income	23,46,414	15,67,489	3,24,315	1,94,982
Kotak Advantage Fund V	Investment Manager	Investment management Income	36,54,950	35,01,159	3,57,564	2,93,672
Kotak Fixed Term Fund-VII Segregated Portfolio	Investment Manager	Investment management Income	9,029	1,10,367	3,537	3,077
Kotak Fixed Term Fund - XIII Segregated Portfolio	Investment Manager	Investment management Income	-	21,03,849	18,538	-
Kotak Infinity Fund	Investment Manager	Investment management Income	5,89,02,117	8,09,31,739	27,03,843	56,39,332
Core India Infrastructure Fund Pte. Ltd	Investment Manager	Investment management Income	7,56,19,166	9,42,93,348	-	-
BIF India Cactus Pte Ltd	Investment Manager	Investment management Income	18,67,141	21,47,827	5,29,268	5,04,058

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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, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
BIF India Holdings Pte Ltd	Investment Manager	Investment management Income	9,99,456	9,95,744	2,83,912	2,35,163
Kinetic Holdings 1 Pte. Ltd	Investment Manager	Investment management Income	74,59,259	40,46,622	21,24,877	42,82,432
Kotak Global Funds	Investment Manager	Investment management Income	21,54,606	1,16,67,721	68	7,82,277
Global Investment Opportunities Fund Limited	Investment Manager	Investment management Income	12,19,197	18,56,951	79,740	1,45,979
Kotak India Advantage Fund - III	Investment Manager	Investment management Income	1,59,96,975	-	15,53,990	18,63,971
Kotak Funds - India Growth Fund	Investment Manager	Investment management Income	15,42,54,586	16,99,51,067	88,49,239	1,44,22,129
Kotak Funds - India Midcap Fund	Investment Manager	Investment management Income	1,23,23,12,618	1,31,25,99,784	8,63,78,099	10,64,00,637
Kotak Funds - India Fixed Income Fund	Investment Manager	Investment management Income	1,01,15,355	1,81,83,340	(24,11,292)	9,88,107
K Debt Opportunities Fund Limited - I	Investment Manager	Investment management Income	10,90,26,413	21,13,74,994	70,72,547	1,41,45,529
Kotak India Consumption Fund Ltd	Investment Manager	Investment management Income	21,88,020	31,85,815	98,488	2,29,854
Kotak Investment Opportunities Fund Limited	Investment Manager	Investment management Income	(44,859)	12,803	(36,471)	6,799
KB Asset Management Company	Investment Manager	Investment management Income	36,85,830	15,64,314	8,66,037	6,98,344
K India Income Fund	Investment Manager	Investment management Income	13,44,66,903	10,38,99,877	1,22,11,113	84,73,478
Kotak Fixed Term Fund XIV	Investment Manager	Investment management Income	-	50,68,815	89,118	-

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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, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
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	55,324
Kotak Advantage Fund - IX Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	1,05,920	96,807
Kotak Advantage Fund - VIII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	83,216	76,057
Kotak Advantage Fund XI	Investment Manager	Reimbursement of Expenses	-	-	10,504	-
Kotak Advantage Fund - XIII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	35,311	29,726
Kotak Advantage Fund - XII Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	20,418	18,661
Kotak Advantage Fund XIV Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	90,685	13,831
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	71,911
Kotak Fixed Term - II Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	-	25,300
Kotak Fixed Term Fund XV	Investment Manager	Reimbursement of Expenses	-	-	95,194	13,831
Kotak Global Bond Fund Segregated Portfolio	Investment Manager	Reimbursement of Expenses	-	-	8,19,052	7,48,583
Kotak India Advantage Fund - I	Investment Manager	Reimbursement of Expenses	-	-	-	9,67,133
Kotak WM India Fund	Investment Manager	Reimbursement of Expenses	-	-	75,665	-
			76,77,75,219	83,41,09,553	11,96,39,267	15,45,13,334

During the year compensation to Key Managerial Personnel was ₹ 40.90 million (Previous year - ₹41.95 million).

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Forming part of Balance Sheet and Profit and Loss Account

- 3.22** Salaries, bonus and allowances includes contribution to PF amounting to ₹402,844.
- 3.23** Previous year's figures have been regrouped and reclassified wherever necessary.
- 3.24** In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as 'COVID-19' has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods, shut-down of non-essential services and social distancing, have caused material disruption to businesses globally resulting in significant economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of the government and central bank interventions. It is not possible to reliably measure the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. 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 and liquidity. Having performed this analysis, management believes that the Company's preparation of the financial statements on a going concern basis remains appropriate. The financial statements have been prepared based upon conditions existing at 31 March 2020.

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: 06 May, 2020

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 06 May, 2020