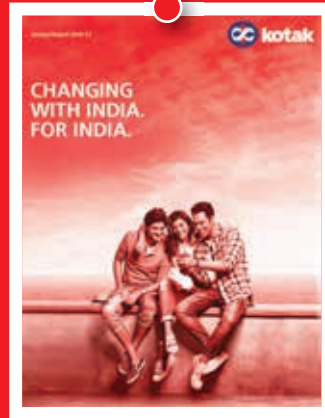


Actions speak.

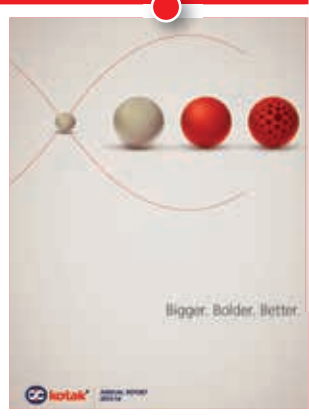
2016-17



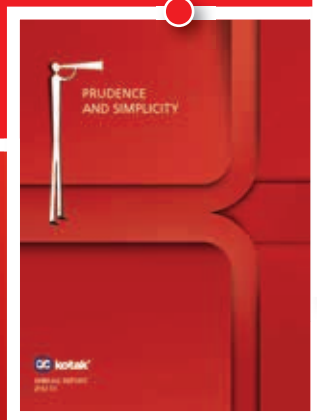
2015-16



2014-15



2013-14



2012-13



2011-12

DIRECTORS' REPORT

To the Members of

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

The Directors present their Thirtieth Annual Report together with the audited accounts of the Company for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	Year ended	Year ended
	31 st March 2018	31 st March 2017
Total Revenue	24,80,54,568	8,19,12,455
Profit / (Loss) for the year	143,783,409	3,38,35,288

DIVIDEND

Your Directors recommend a dividend on the preference shares at the coupon rate i.e. 7.50% for the financial year ended 31st March 2018. (Previous Year: Nil). Your Directors do not recommend any dividend on equity shares (Previous Year: Nil).

DEBENTURES

The Company has issued debentures aggregating to ₹250 crore on private placement basis under Information Memorandum issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001 as Debenture Trustees to the issue.

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio (CRAR) of the Company as on 31st March, 2018 was at 56.99% (Tier I – 56.70%).

CREDIT RATING

The Company's short-term borrowing program from CRISIL and ICRA is rated "A1+". Further, the long-term secured borrowing program is rated "AAA/Stable" by CRISIL and ICRA.

A1+ indicates highest-credit-quality rating and AAA indicates high-credit-quality rating with stable outlook assigned by CRISIL and ICRA. Instruments with these ratings are considered to have high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk.

BUSINESS ACTIVITY

The Company is registered as a Non-Banking Financial Company (IDF) with Reserve Bank of India and is engaged in providing finance for infrastructure projects. The Company is entirely held by Kotak Mahindra Bank Ltd and its subsidiaries.

OPERATIONS

Your Company is into long term lending to infrastructure projects which have completed at least one year of satisfactory operations. In its first full year of operations, your Company has been able to forge relationships with marquee clients and build a robust asset book diversified across various Infrastructure sub-sectors. Credit norms, systems and processes have been set up gearing up the Company for strong growth while maintaining impeccable credit quality.

In the coming year, your Company will continue to focus on growing revenue and asset book while maintaining sectoral diversification and adhering to prudent credit norms. Concentrated endeavour will be towards further broadening the clientele, on boarding high quality corporates across sectors.

Infrastructure is key to economic growth of the country, statutory and regulatory efforts have been ongoing to ensure the same. During the past year, we have witnessed important developments across various Infrastructure sub sectors.

Roads & Transportation

Two key macro developments took place during the year, with announcement of Bharatmala program and completion of auction process of first tranche Toll Operate Transfer projects. There has been considerable pick up in awarding of contracts in Roads sector, especially under Hybrid Annuity model. Overall, the sector seems to have moved past struggles of past and promises to play role of a key growth driver going forward.

Renewable Energy

The country continues to push towards achieving target capacity of 175 GW in Renewable Energy by 2022. During the year, Wind Energy has largely moved to auction model from earlier Feed in Tariff model. Record low tariffs have been discovered in both Solar and Wind Energy projects, potentially making them commercially more viable than even Thermal Power. However, some concerns remain on regulatory aspects like imposition of Anti-Dumping / Safeguard Duty, viability of low tariff projects in view of fluctuation in equipment prices as well as probability of tariff renegotiation for earlier projects. Your Company will continue to observe the sector keenly.

Other Infrastructure Sectors

Your Company continues its effort to broad-base asset book across various sub sectors within Infrastructure, sectors like Education, Healthcare, Power Transmission, SEZ / Industrial Parks will be key areas of interest. Also during last year, Logistics sector has been accorded with status of Infrastructure, opening new avenues of growth for the company.

Internal Controls

The Internal Audit department of the holding company Kotak Mahindra Bank Limited, conducts a review to assess the financial and operating controls.

Human Resources

Your Company is professionally managed & it follows open, transparent & meritocratic policy to nurture the human resources. Human resources function is managed by the Group Human Resources team of its holding company, Kotak Mahindra Bank Limited.

Information Technology

Your Company uses the technology platforms owned and managed by its holding company, Kotak Mahindra Bank Limited.

DIRECTORS

Changes in Directors during the year

The Members at their Extraordinary General Meeting held on 4th July 2017 had approved the appointment of Mr. Uday Phadke (DIN: 00030191) as an Independent Director of the Company for a five year term up to 3rd July 2022.

Further, Ms. Sujata Guhathakurta was appointed as an Additional Director of the Company with effect from 29th March 2018. She holds office up to the date of the ensuing Annual General Meeting of the Company and is eligible to be appointed as a Director. The Nomination & Remuneration Committee at its meeting held on 24th April 2018 has recommended the appointment of Ms. Sujata Guhathakurta as a Director to the Members of the Company.

Ms. Sujata Guhathakurta is Senior Executive Vice President & Head Debt Capital Markets at Kotak Mahindra Bank (Bank). She is part of the Kotak Leadership Team. She has over 23 years of work experience, with the Kotak Group, spanning the areas of Bond & Loan Syndication, Structured Products and Trading in Fixed Income Securities. She has been spearheading efforts of the Bank in the space of structuring & syndicating across fixed income products, spanning

across Loans, Bonds & Structured Products for the past 10 years. Prior to that, she used to Head the Sales & Trading Desk for the Bank's Treasury.

Directors retiring by rotation

Mr. K.V.S. Manian (DIN:00031794), Director retires by rotation at the Thirtieth Annual General Meeting and being eligible has offered himself for re-appointment.

Key Managerial Personnel (KMPs)

During the year, Mr. Manoj Gupta was appointed as the Chief Executive Officer and Chief Financial Officer with effect from 2nd May 2017. Further, Mr. Ankur Sharma was appointed as the Company Secretary with effect from 1st September 2017.

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Manoj Gupta, Chief Executive Officer & Chief Financial Officer and Mr. Ankur Sharma, Company Secretary, are the Key Managerial Personnel of the Company.

Number of Board Meetings

During the year, 9 meetings of the Board of Directors were held.

COMMITTEES

(a) AUDIT COMMITTEE

The Audit Committee presently consists of Mr. Dipak Gupta, Mr. K.V.S. Manian, Mr. Arvind Kathpalia and Mr. Uday Phadke. The quorum comprises of any two members.

During the financial year ended 31st March 2018, 3 meetings of the Committee were held.

(b) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee presently comprises of Mr. Dipak Gupta, Mr. K.V.S. Manian and Mr. Arvind Kathpalia. The quorum comprises of any two members.

During the financial year ended 31st March 2018, 2 meetings of the Committee were held.

AUDITORS

The shareholders of the Company at the 29th Annual General Meeting held on 30th June 2017 had appointed M/s. S.R. Batliboi & Associates LLP (Firm Registration no. 101049W/E300004) as Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of the 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company.

Pursuant to the provisions of Rule 3 (7) of the Companies (Audit and Auditors) Rules, 2014 your approval is requested to ratify their appointment from the conclusion of the 30th Annual General Meeting till the conclusion of the 31st Annual General Meeting.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious deviation has been observed for inefficiency or inadequacy of such controls.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts under clause no.26.

PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 read with Rule 11 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company being a Non-Banking Financial Company registered with Reserve Bank of India, is exempt from the provisions of Section 186 of the Companies Act, 2013.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has also put in place the Whistle Blower Policy to raise concerns internally and to disclose information, which the individual believes shows malpractice, serious irregularities, fraud, unethical business conduct, abuse or wrong doing or violation of any Indian law.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed RJSY & Associates, Company Secretaries, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March 2018 is annexed to this Report. Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for FY 2017-2018.

EMPLOYEES

The employee strength of your Company was 7 employees as of 31st March 2018.

No employees employed throughout the year and 1 employee employed for part of the year was in receipt of remuneration of ₹102 lacs or more per annum.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in the annexure to the Directors' Report.

DEPOSIT

The Company did not accept any deposits from the public during the year. Also there are no deposits due and outstanding as on 31st March 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions pertaining to the Conservation of Energy and Technology Absorption are not applicable to your Company.

During the year, the Company had foreign exchange inflow of ₹ NIL (Previous Year: Nil) while the outgo of foreign exchange was ₹ NIL (Previous Year: Nil).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the management, confirm in pursuance of Section 134(5) of the Companies Act, 2013 that:

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at 31st March 2018 and of the profit of the Company for the financial year ended 31st March 2018;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 (Annexure – A) and Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 (Annexure – B) are annexed.

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record, its gratitude for the valuable guidance and support received from the Government and Regulatory authorities, its appreciation of the dedication and contribution of your Company's employees at all levels.

For and on behalf of the Board of Directors

Dipak Gupta

Director

K.V.S. Manian

Director

Place: Mumbai

Dated: 24th April 2018

Form No. MGT-9

Annexure - A

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	U65910MH1988PLC048450
ii) Registration Date	10 th August 1988
iii) Name of the Company	Kotak Infrastructure Debt Fund Limited (formerly known as Kotak Forex Brokerage Limited)
iv) Category / Sub-Category of the Company	Non-Banking Financial Company
v) Address of the Registered office and contact details	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel No. : (022) 61660001 Fax No.: (022) 67132403
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other Credit Granting	64920	70.42%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Kotak Mahindra Bank Limited 27-BKC, Plot No. C-27, "G" Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400051	L65110MH1985PLC038137	Holding Company	100 *	2(87)

* Kotak Mahindra Bank Limited (KMBL) holds 30% of the equity share capital and 30% held by Kotak Securities Limited (KSL), 20% each by Kotak Mahindra Capital Company Limited (KMCC) and Kotak Investment Advisors Limited.(KIAL). These three entities are subsidiaries of KMBL.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	310,000,000	310,000,000	100.00	-	310,000,000	310,000,000	100.00	0.00

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares pledged encumbered to total shares	
1	KOTAK MAHINDRA BANK LTD.(along with its nominees)	93,000,000	30.00	0.00	93,000,000	30.00	0.00	0.00
2	KOTAK SECURITIES LTD.	93,000,000	30.00	0.00	93,000,000	30.00	0.00	0.00
3	KOTAK INVESTMENT ADVISORS LTD.	62,000,000	20.00	0.00	62,000,000	20.00	0.00	0.00
4	KOTAK MAHINDRA CAPITAL COMPANY LTD.	62,000,000	20.00	0.00	62,000,000	20.00	0.00	0.00
Total		310,000,000	100.00	0.00	310,000,000	100.00	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change) **NO CHANGE**

Sr No	Share holding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	-	-	-	-
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the End of the year	-	-	-	-

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
Nil									

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company

DIRECTORS

(Holding shares as nominee of Kotak Mahindra Bank Ltd. jointly with Kotak Mahindra Bank Ltd.)

Mr. Dipak Gupta	10	0.00	-	-		31-03-2017	10	0.00
						31-03-2018	10	0.00
Mr. K.V.S. Manian	10	0.00	-	-		31-03-2017	10	0.00
						31-03-2018	10	0.00

KEY MANAGERIAL PERSONNEL

NIL

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans @	Deposits @@	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	25,000.00			25,000.00
• Reduction				
Net Change	25,000.00			25,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	25,000.00			25,000.00
ii) Interest due but not paid				
iii) Interest accrued but not due	486.86			486.86
Total (i+ii+iii)	25,486.86			25,486.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors: NOT APPLICABLE

		(₹ in lakhs)			
Sl. No	Particulars of Remuneration	Name of the Director			Total Amount
1	Independent Directors	Uday Phadke			
	Fee for attending board committee meetings		3.40		3.40
	Commission *		1.50		1.50
	Others, please specify		-		-
	Total (1)		3.40		3.40
2	Other Non Executive Directors	NIL			
	Fee for attending board committee meetings				
	Commission				
	Others - please specify				
	Total (2)		-		-
	Total (B)=(1+2)		3.40		3.40
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA	NA

* Payment of commission to Independent Director is subject to the approval of the shareholders at the ensuing Annual General Meeting.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

		(₹ in lakhs)		
Sr No	Particulars of Remuneration	Key Managerial Personnel		Total
		CEO	CFO	
1	Gross salary*			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	153.66	11.70	165.36
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961@	18.34	-	18.34
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	Cost included in 1(b) above		-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	172.00	11.70	183.70

Notes:

@ The perquisite value towards stock options includes the difference between exercise price & market price on the date of exercise. The same amounting to ₹ 18.04 lakhs for CEO & CFO is not paid by the Company.

* Gross salary includes Basic salary, House Rent Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance, Annual Incentives and cost towards Stock Appreciation Rights.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FORM MR-3

Annexure - B

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

(Formerly known as KOTAK FOREX BROKERAGE LIMITED)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Infrastructure Debt Fund Limited** (hereinafter called the “Company”).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Kotak Infrastructure Debt Fund Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kotak Infrastructure Debt Fund Limited** for the financial year ended on 31st March 2018, according to the provisions of, as may be applicable:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
7. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs;
9. Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
10. Prevention of Money Laundering Act, 2002 and the rules made thereunder;
11. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. subject to the following observations:

- A. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 1. The Company is still in the process of registering itself with Central Registry of Securitisation Asset Reconstruction and Security Interest under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and hence it has not filed the requisite records of mortgages with the said authority.
- B. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs
 2. The Company is in process of getting registering itself with Central Repository of Information on Large Credits.
 3. The Company has not filed certain forms required to be submitted to the Reserve Bank of India within the prescribed time.
 4. The Company has not formed a Risk Management Committee as required under Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

We further report that

The Board of Directors of the Company is duly constituted in accordance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. A woman director was appointed with effect from 29th March, 2018, a couple of months after the due date.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where Board meetings were held at a short notice to transact urgent business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Company had received registration certificate dated 6th April, 2017 as a Non Banking Financial Institution – Infrastructure Debt Finance Company from Reserve Bank of India pursuant to which it has commenced the business of Infrastructure Debt Finance.
2. An Ordinary Resolution was passed at the Extra-Ordinary General Meeting of the Company held on 5th October, 2017 by the Members pursuant to section 61 of the Companies Act, 2013 approving the increase in authorised share capital of the company from Rs. 310,75,00,000/- divided into 31,00,50,000 Equity Shares of Rs. 10/- each and 14 Preference Shares of Rs. 5,00,000/- each to Rs. 610,75,00,000/- divided into 31,00,50,000 Equity Shares of Rs. 10/- each and 6014 Preference Shares of Rs. 5,00,000/- each.
3. A Special Resolution was passed at the Extra- Ordinary General Meeting of the Company held on 2nd November, 2017 by the Members pursuant to section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for approving an increase in the Borrowing limits and for creation of charge on the assets of the Company.
4. A Special Resolution was passed at the Extra- Ordinary General Meeting of the Company held on 2nd November, 2017 by the Members pursuant to section 42 of the Companies Act, 2013 for approving private placement of Non Convertible Debentures up to face value of Rs. 500 Crores on preferential basis.
5. A Special Resolution was passed at the Extra- Ordinary General Meeting of the Company held on 19th December, 2017 by the Members pursuant to section 42, 55 and 62 of the Companies Act, 2013 for approving issuance of Non Cumulative Preference Shares up to 3,000 preference shares of face value Rs.5,00,000/- each at par.

**For RJSY & ASSOCIATES,
Company Secretaries**

Place: Mumbai
Date: 24/04/2018

**Sadhana Yadav
FCS No: 27559
Certificate of Practice No. 16932**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,

The Members

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

(Formerly known as KOTAK FOREX BROKERAGE LIMITED)

Our report of even date is to be read along with this letter.

'Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For RJSY & ASSOCIATES,
Company Secretaries**

Place: Mumbai
Date: 24/04/2018

**Sadhana Yadav
FCS No: 27559
Certificate of Practice No. 16932**

INDEPENDENT AUDITOR'S REPORT

To the Members of Kotak Infrastructure Debt Fund Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Kotak Infrastructure Debt Fund Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 give 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 statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Place of Signature: Mumbai

Date: April 24, 2018

“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT

Annexure 1 referred to under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Kotak Infrastructure Debt Fund Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i) (c) According to the information and explanation given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees’ state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii) (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and other statutory which have not been deposited on account of any dispute. The provisions relating to employees’ state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of non-convertible debentures for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial

statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Place of Signature: Mumbai

Date: April 24, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK INFRASTRUCTURE DEBT FUND LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kotak Infrastructure Debt Fund Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Place of Signature: Mumbai

Date: April 24, 2018

Balance Sheet

as at 31st March 2018

Particulars	Note No.	As at	As at
		31 March 2018	31 March 2017
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,107,000,000	3,107,000,000
(b) Reserves and surplus	4	136,167,797	(7,615,612)
2 Non-current liabilities			
(a) Long-term borrowings	5	2,500,000,000	-
(b) Long-term provisions	6	13,008,403	-
3 Current liabilities			
(a) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises		3,747,789	175,118
(b) Other current liabilities	8	54,831,064	18,659
(c) Short-term provisions	9	5,645,591	953,538
TOTAL		5,820,400,644	3,100,531,703
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Property, Plant and Equipment	10	9,299,091	-
(b) Non-current investments	11	1,828,794,229	-
(c) Long-term loans and advances	12	2,241,025,269	-
2 Current assets			
(a) Current Investments	13	1,507,841,371	-
(b) Cash and bank balance	14	97,354,726	3,096,346,603
(c) Short-term loans and advances	15	119,838,646	167,789
(d) Other current assets	16	16,247,312	4,017,311
TOTAL		5,820,400,644	3,100,531,703
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Mumbai

Dated: 24th April, 2018

For and on behalf of the Board of Directors

Dipak Gupta

Director

KVS Manian

Director

Manoj Gupta

Chief Executive Officer and
Chief Financial Officer

Ankur Sharma

Company Secretary

Statement of Profit and loss

for the year ended 31st March 2018

Particulars	Note No.	For the year ended	For the year ended
		31 st March, 2018	31 st March, 2017
		₹	₹
I. Revenues from operations			
Revenue from Operations	17	189,181,530	81,754,270
Other Income	18	58,873,038	158,185
Total Revenue		248,054,568	81,912,455
II. Expenses:			
Employee Benefits Expense	19	31,924,412	-
Interest and Finance Costs	20	48,686,302	230,281
Depreciation and Amortization Expense	10	277,023	-
Other expenses	21	23,383,422	31,146,886
Total expenses		104,271,159	31,377,167
III. Profit / (Loss) before tax		143,783,409	50,535,288
IV. Tax expense:			
Current tax			
- Pertaining to profit for the current year		-	16,700,000
V. Profit / (Loss) for the Year		143,783,409	33,835,288
VI. Earnings per equity share:			
Basic and Diluted earnings per share (Refer Note no. 26)		0.46	0.24
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Mumbai

Dated: 24th April, 2018

For and on behalf of the Board of Directors

Dipak Gupta

Director

KVS Manian

Director

Manoj Gupta

Chief Executive Officer and
Chief Financial Officer

Ankur Sharma

Company Secretary

Statement of Cash Flows

for the year ended 31st March 2018

Particulars	Year ended 31 st March, 2018		Year ended 31 st March, 2017	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Cash Flow from Operating Activities				
Net Profit / (Loss) before taxation	143,783,409		50,535,288	
Adjustments for:				
Filing fees			22,953,543	
Stamping expenses			7,962,700	
Depreciation	277,023		-	
Interest on borrowings	48,686,302		230,281	
Interest on fixed deposits	(14,491,330)		(81,454,270)	
Profit on Sale of Investments (net)	(11,495,248)			
Dividend Income on MF Units	(47,377,792)			
Provision for standard assets	9,402,090			
Investments Written off	-		1	
Operating Profit Before Working Capital Changes	128,784,454		227,543	
(Increase)/Decrease in Trade Receivables	-		150,115	
Increase / (Decrease) in Trade Payables	3,572,671		(16,307)	
Increase / (Decrease) in Other Current Liabilities	6,126,103		15,160	
Increase / (Decrease) in Provisions	8,298,366		-	
(Increase) / Decrease in Long term Loans & Advances	(2,231,417,344)		-	
(Increase) / Decrease in Short term Loans & Advances	(119,670,856)		73,799	
Increase / (Decrease) in Other Long term liabilities	-		-	
(Increase)/ Decrease in Other Current Assets	(12,230,001)		174,375	
Cash flow Used In Operations	(2,216,536,607)		624,686	
(Income Taxes paid) / Refund Received	(9,607,925)		(14,335,411)	
Net Cash flow (Used in)/ from Operating Activities (A)	(2,226,144,532)		(13,710,725)	
Cash Flow from Investing Activities				
Purchase of Current investments	(1,507,841,371)			
Purchase of Fixed Assets	(9,576,114)			
Purchase of Non Current investments	(1,828,794,229)			
Profit on Sale of Investments (net)	11,495,248			
Dividend Income on MF Units	47,377,792			
Fixed Deposits (Placed) / Redeemed (net)	3,093,767,003		(3,091,523,292)	
Interest on fixed deposits	14,491,329		77,448,317	
Net Cash flow (Used in)/ from Investing Activities (B)	(179,080,342)		(3,014,074,975)	

Particulars	Year ended 31 st March, 2018		Year ended 31 st March, 2017	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital			3,059,000,000	
Filing fees			(22,953,543)	
Stamping expenses			(7,962,700)	
Interest on borrowing			(230,281)	
Proceed from long term loan	2,500,000,000			
Net Cash flow (Used in)/ from Financing Activities (C)		2,500,000,000		3,027,853,476
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)		94,775,126		67,776
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		271,116		203,340
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		95,046,242		271,116
Notes :				
1. Cash and cash equivalent include :				
Balances with bank				
on current account		95,046,242		271,116
Total cash and cash equivalents		95,046,242		271,116

- The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The corresponding amounts of previous year have been re-grouped, wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Mumbai

Dated: 24th April, 2018

For and on behalf of the Board of Directors

Dipak Gupta

Director

KVS Manian

Director

Manoj Gupta

Chief Executive Officer and
Chief Financial Officer

Ankur Sharma

Company Secretary

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

1. CORPORATE INFORMATION

Kotak Infrastructure Debt Fund Limited (the Company), formerly known as Kotak Forex Brokerage Limited, is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a Non-Banking Financial Company with Reserve Bank of India. The Company is engaged in providing finance for infrastructure projects. The Company is entirely held by Kotak Mahindra Bank Ltd together with its subsidiaries.

The Company was engaged in the business of providing foreign exchange related services. During the year, the Company obtained license as Infrastructure Debt Fund - Non-Banking Financial Company (IDF-NBFC) from Reserve Bank of India (RBI) vide Certificate of Registration No. N-13.02177 dated April 06, 2017.

2 SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

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 under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies. 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.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of 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 or non-current classification of assets and liabilities

B. USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as at 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.

C. REVENUE RECOGNITION

- a. Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized, upon realization, as per RBI guidelines. Overdue/ penal interest is recognised as income on realization.
- b. Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.
- c. Premium receivable on maturity of investments is recognised over the residual maturity of such investments.
- d. Fee income is recognized when due.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

D. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Gain or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and recognized as income or expense in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment 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 property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year end. Estimated useful lives over which assets are depreciated are as follows:

Asset Type	Useful life in years
Premises	58
Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Office Equipment	5
Computers	3
Furniture and Fixtures	6
Vehicles	4

Used property, plant and equipment purchased are depreciated over the residual useful life from the date of original purchase. For property, plant and equipment purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

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.

E. INVESTMENTS

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year from the date, on which investments are made, are classified as long term investments and investments which are intended to be held for less than one year from the date, on which investments are made, are classified as current investments. Brokerage, stamping and additional charges paid are included in the cost of investments. Premium / discount at the time of acquisition of debentures is also included in the cost of investments and amortised over the residual maturity of such debentures.

Long term investments are accounted at cost (applying weighted average cost method) and provision for diminution in value is made to recognise a decline, other than temporary, in the value of investment, such reduction being determined and made for each investment individually. Long term investments in the nature of unquoted debentures, not actively traded in the markets, are treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification, in line with the RBI guidelines.

Current investments are valued at cost (applying weighted average cost method) or fair value/market value whichever is lower. In case of investments in units of a mutual fund, the NAV of units is considered as market / fair value.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

F. BORROWING COST

Borrowing cost comprising interest expenses other than those directly attributable to qualifying Fixed Assets are recognised as an expense in the period in which they are incurred.

G. TAXES ON INCOME

The Company is an Infrastructure Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on 6th April 2017. Therefore, income of the Company is exempt under sections 10(47) of the Income Tax Act, 1961 (the Act). The Company has applied to CBDT to get it notified in the Official Gazette as required u/s 10(47) of the Act and are in the process of receiving approval for the same. Accordingly, no income tax is payable on the company's income from the financial year 2017-18 and therefore no provision for tax & deferred tax asset / liabilities have been recognised.

H. EMPLOYEE BENEFITS

- a. The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- b. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.
- c. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- d. The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.
- e. The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives.
- f. As per the Company policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of fellow subsidiary.

I. EMPLOYEE SHARE BASED PAYMENTS

Cash-settled scheme:

The cost of cash-settled scheme (stock appreciation rights) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straight-line basis over the vesting period with 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 in 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

J. ADVANCES

Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the RBI guidelines and are stated net of provisions made towards non-performing assets. Provision for standard assets and non-performing assets comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines.

K. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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.

L. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed in the notes. Contingent assets are neither recognised nor disclosed in financial statements.

M. LEASES

As Lessee

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 and loss on a straight-line basis over the lease term.

N. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 3 - SHARE CAPITAL	As at	As at
	31 st March 2018	31 st March 2017
	₹	₹
Authorised		
310,050,000 (P.Y 310,050,000) Equity Shares of ₹ 10/- each	3,100,500,000	3,100,500,000
6014 (P.Y. 14) 7.5% Non Cummulative Redeemable Preference Shares of ₹ 5,00,000/- each	3,007,000,000	7,000,000
Total	6,107,500,000	3,107,500,000
Issued, Subscribed and fully Paid up		
310,000,000 (P.Y 310,000,000) Equity Shares of ₹ 10/- each	3,100,000,000	3,100,000,000
14 (P.Y. 14) 7.5% Non-Cummulative Redeemable Preference Shares of ₹ 5,00,000/- each	7,000,000	7,000,000
Total	3,107,000,000	3,107,000,000

a. Reconciliation of number of shares and Equity share capital	As at 31 st March 2018		As at 31 st March 2017	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Outstanding at the beginning of the year	310,000,000	3,100,000,000	4,100,000	41,000,000
Add: Issued during the year	-	-	305,900,000	3,059,000,000
Less: Buy back during the year	-	-	-	-
Outstanding at the end of the year	310,000,000	3,100,000,000	310,000,000	3,100,000,000

b. Reconciliation of number of shares and Equity share capital	As at 31 st March 2018		As at 31 st March 2017	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Outstanding at the beginning of the year	14	7,000,000	14	7,000,000
Add: Issued during the period	-	-	-	-
Less: Buy back during the year	-	-	-	-
Outstanding at the end of the year	14	7,000,000	14	7,000,000

c. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

d. Terms/rights attached to preference shares

The Company had issued one class of preference shares of ₹ 5,00,000/- each fully paid up, redeemable at par at the end of 10 years with a Put / Call option to redeem them earlier, after completion of 3 years from the date of issue being 31st December 2012. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Each holder of the preference shares is entitled to one vote per share only on the resolution placed before the company which directly affect the rights attached to Preference Shares.

e. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries

are as below:

Number of shares	As at 31 st March, 2018	As at 31 st March, 2017
Equity Shares:		
Kotak Mahindra Bank Limited, the Ultimate holding company w.e.f 21 st October, 2016 (Holding Company upto 20 th October, 2016)	9,30,00,000	9,30,00,000
Kotak Securities Limited *	9,30,00,000	9,30,00,000
Kotak Investment Advisors Limited *	6,20,00,000	6,20,00,000
Kotak Mahindra Capital Company Limited *	6,20,00,000	6,20,00,000
* Subsidiary of Kotak Mahindra Bank Ltd.	31,00,00,000	31,00,00,000
Preference Shares:		
Kotak Mahindra Bank Limited, the Ultimate holding company w.e.f 21 st October, 2016 (Holding Company upto 20 th October, 2016)	14	14

f. Details of Equity shareholders holding more than 5% shares in the company

Equity shares of ` 10 fully paid up

	As at 31 st March 2018		As at 31 st March 2017	
	No. of shares	% holding	No. of shares	% holding
Kotak Mahindra Bank Limited	9,30,00,000	30%	9,30,00,000	30%
Kotak Securities Limited	9,30,00,000	30%	9,30,00,000	30%
Kotak Investment Advisors Limited	6,20,00,000	20%	6,20,00,000	20%
Kotak Mahindra Capital Company Limited	6,20,00,000	20%	6,20,00,000	20%

g. Details of Preference shareholders holding more than 5% shares in the company

Preference shares of ` 5,00,000/- fully paid up

	As at 31 st March 2018		As at 31 st March 2017	
	No. of shares	% holding	No. of shares	% holding
Kotak Mahindra Bank Limited	14	100%	14	100%

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 4 - RESERVES AND SURPLUS	As at	As at
	31 st March 2018	31 st March 2017
	₹	₹
a. Capital Redemption Reserve		
Balance as at the beginning and end of the year	19,00,000	19,00,000
	19,00,000	19,00,000
b. Debenture Redemption Reserve		
Balance as at the beginning of the year	2,50,347	2,50,347
Add: Amount transferred from Debenture Redemption Reserve	-	-
Balance as at the end of the year	2,50,347	2,50,347
c. Special Reserve		
Under Section 45 IC of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	-	-
Add: Amount transferred from Profit & loss account	2,87,56,682	-
Balance as at the end of the year	2,87,56,682	-
d. Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(97,65,959)	(4,36,01,248)
Add: Net Profit / (Loss) for the current year	14,37,83,409	3,38,35,288
Less: Appropriations	-	-
Transferred to Special Reserve under section 45IC of Reserve Bank of India, Act 1934	(2,87,56,682)	-
Balance as at the end of the year	10,52,60,768	(97,65,959)
Total	13,61,67,797	(76,15,612)

NOTE 5-LONG TERM BORROWING	As at	As at
	31 st March 2018	31 st March 2017
	₹	₹
Debentures		
Secured Non - Convertible Debentures *	2,50,00,00,000	-
Total	2,50,00,00,000	-

* On 05-Dec -2017 KIDFL has issued 1000 (P:Y: NIL) Debentures of ₹ 10,00,000/- each having coupon rate of 7.85% p.a. for 5 years tenure to Kotak Mahindra Bank Ltd. Simple Interest is payable on due date on these NCDs at every year end.

On 19-Jan -2018 KIDFL has issued 1500 (P:Y: NIL) Debentures of ₹ 10,00,000/- each having coupon rate of 7.95% p.a. for 5 years tenure to Kotak Mahindra Bank Ltd Simple Interest is payable on due date on these NCDs at every year end.

This debentures are payable at maturity at the end of the tenure and which are secured by mortgage of flat and charge on book debts.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 6- LONG-TERM PROVISIONS	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
(a) Provision for Employee Benefits		
Provisions for Stock Appreciation Rights	20,73,726	-
Provision for Gratuity	11,67,841	-
Provision for Compensated Absenses	8,37,852	-
(b) Provision Others		
Provision for Standard Assets	89,28,984	-
Total	1,30,08,403	

NOTE 7 - TRADE PAYABLES	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Total outstanding dues of creditors other than micro enterprises and small enterprises*		
Sundry Creditors	37,47,789	1,75,118
Total	37,47,789	1,75,118

* The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid / payable as required under the said act have not been given.

NOTE 8 - OTHER CURRENT LIABILITIES	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Other Payables:		
Int accrued but not due on NCDs	4,86,86,302	-
Statutory dues	11,44,762	18,659
Employee benefit payable	50,00,000	-
Total	5,48,31,064	18,659

NOTE 9 - SHORT-TERM PROVISIONS	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
(a) Provision for Taxation		
Provision for Taxation	-	9,53,538
(b) Provision for Employee Benefits		
Provisions for Stock Appreciation Rights	41,78,316	-
Provision for Gratuity	4,26,548	-
Provision for Compensated Absenses	5,67,621	-
(c) Provision Others		
Provision for Standard Assets	4,73,106	-
Total	56,45,591	9,53,538

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 10- PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 st April, 2017	Additions during the year	Disposals during the year	Balance as at 31 st March, 2018	Balance as at 1 st April, 2017	Depreciation charge for the year	On Disposals	Balance as at 31 st March, 2018	As at 31 st March 2017	As at 31 st March 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Premises	-	27,23,000	-	27,23,000	-	7,571	-	7,571	-	27,15,429
Computers - Own	-	39,219	-	39,219	-	22,097	-	22,097	-	17,122
Vehicles - Own	-	68,13,895	-	68,13,895	-	2,47,355	-	2,47,355	-	65,66,540
Total Tangible Assets	-	95,76,114	-	95,76,114	-	2,77,023	-	2,77,023	-	92,99,091
Previous Year	-	-	-	-	-	-	-	-	-	-

DESCRIPTION	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 st April, 2017	Additions during the year	Disposals during the year	Balance as at 31 st March, 2018	Balance as at 1 st April, 2017	Depreciation charge for the year	On Disposals	Balance as at 31 st March, 2018	As at 31 st March 2017	As at 31 st March 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets										
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Previous Year	5,71,40,000	-	5,71,40,000	-	5,71,40,000	-	5,71,40,000	-	-	-

DESCRIPTION	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 st April, 2016	Additions during the year	Disposals during the year	Balance as at 31 st March, 2017	Balance as at 1 st April, 2016	Depreciation charge for the year	On Disposals	Balance as at 31 st March, 2017	As at 31 st March 2016	As at 31 st March 2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets										
Goodwill	1,88,40,000	-	1,88,40,000	-	1,88,40,000	-	1,88,40,000	-	-	-
Forex Broking Business Rights	3,83,00,000	-	3,83,00,000	-	3,83,00,000	-	3,83,00,000	-	-	-
Total	5,71,40,000	-	5,71,40,000	-	5,71,40,000	-	5,71,40,000	-	-	-

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 11 - NON CURRENT INVESTMENTS (NON TRADE)	Face Value	As at	As at	As at	As at
		31-03-2018	31-03-2018	31-03-2017	31-03-2017
	₹	Quantity	Amount ₹	Quantity	Amount ₹
INVESTMENT IN DEBENTURES					
(at cost less provision for other than temporary diminution;)					
Quoted and fully paid up Debentures in :					
7.85% Bhopal Dhule Transmission Company Ltd	10,00,000	500	50,00,00,000	-	-
7% Quality Care India Ltd Maturity date: 26/04/2024	10,00,000	145	15,24,59,146	-	-
7% Quality Care India Ltd Maturity date: 26/04/2023	10,00,000	430	45,03,35,083	-	-
9.25% GP Wind (Jangi) Pvt Ltd	9,40,000	400	37,60,00,000	-	-
8.55% Renew Akshay Urja Pvt Ltd	9,00,000	500	35,00,00,000	-	-
* All the above debentures are secured non convertible and redeemable					
TOTAL INVESTMENTS IN DEBENTURES			1,82,87,94,229		-
TOTAL INVESTMENTS			1,82,87,94,229		-
Aggregate of Quoted Investments					
- at cost			1,82,87,94,229		-
- at market value			1,81,32,16,995		-
Aggregate of Unquoted Investments					
- at cost			-		-
Aggregate provision for diminution in value of investments					-

NOTE 12 - LONG TERM LOANS AND ADVANCES	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Advances recoverable in cash or kind		
Secured, considered good	2,23,22,45,923	-
Other loans and advances		
UnSecured, considered good - Employee Loans	1,41,589	-
Advance Taxes paid and tax deducted at source (Net of Provision for Taxes ₹ NIL (P.Y. ₹ 1,67,00,000))	86,37,757	-
Total	2,24,10,25,269	-

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 13 - CURRENT INVESTMENTS (NON TRADE)	Face Value	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017	As at 31-03-2017
	₹	Quantity	Amount ₹	Quantity	Amount ₹
INVESTMENTS (at lower of cost and fair value)					
(I) INVESTMENT IN DEBENTURES					
quoted and fully paid up Debentures in:					
(including current portion of Long Term Investments)					
9.25% GP Wind (Jangi) Pvt Ltd	33,333	400	1,33,33,333	-	-
8.55% Renew Akshay Urja Pvt Ltd	9,00,000	500	10,00,00,000	-	-
TOTAL INVESTMENTS IN DEBENTURES (I)			11,33,33,333		-
(II) INVESTMENT IN MUTUAL FUNDS					
Unquoted and fully paid up units in Mutual Fund of:					
Kotak Liquid Direct Plan - Growth	1,000	4,00,674.9065	1,39,45,08,038		
TOTAL INVESTMENTS IN MUTUAL FUNDS (II)			1,39,45,08,038		-
TOTAL CURRENT INVESTMENTS (I+II)			1,50,78,41,371		-
Aggregate of Quoted Investments					
- at cost			11,33,33,333		-
- at market value			11,33,33,333		-
Aggregate of MF Investments					
- at cost			1,39,45,08,038		-
- at market value			1,41,11,58,229		-
Aggregate provision for diminution in value of investments					-

NOTE 14 - CASH AND BANK BALANCE	As at 31 st March 2018	As at 31 st March 2017
	Amount in ₹	Amount in ₹
Cash and cash equivalents		
Balances with banks:		
In current accounts	9,50,46,242	2,71,116
Other bank balances		
Deposits with residual maturity of less than 12 months	23,08,484	3,09,60,75,487
Total	9,73,54,726	3,09,63,46,603

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTES 15 - SHORT-TERM LOANS AND ADVANCES	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Advances recoverable in cash or kind		
Secured, considered good	11,82,76,556	-
Security Deposit (Unsecured)	-	55,660
Prepaid Expenses	82,158	-
Other loans and advances	14,79,932	1,12,129
Total	11,98,38,646	1,67,789
NOTE 16 - OTHER CURRENT ASSETS	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Interest accrued but not due on Investments	1,21,99,813	-
Interest accrued but not due on loans and advances	40,09,138	-
Interest accrued on Fixed Deposits	-	40,17,311
Receivable from Group companies	38,361	-
Total	1,62,47,312	40,17,311
NOTE 17 - REVENUE FROM OPERATIONS	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Interest on Loans & Advances	6,71,90,000	-
Interest on Fixed Deposits	1,44,91,330	8,14,54,270
Interest on Debentures	10,58,36,000	-
Fees Based Income	16,64,200	-
Other Financial Services		
Brokerage Referral & Advisory Fees (Gross)	-	3,00,000
Total	18,91,81,530	8,17,54,270
NOTE 18 - OTHER INCOME	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Interest on Tax refunds	-	91,645
Profit on Sale of Investments (net)	1,14,95,248	-
Dividend Income on MF Units	4,73,77,790	-
Miscellaneous Income	-	66,540
Total	5,88,73,038	1,58,185

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 19 - EMPLOYEE BENEFITS EXPENSE	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Salaries, allowances and bonus	2,59,17,209	-
Contribution to provident fund and other funds	9,67,394	-
Provision for Stock Appreciation Rights	49,82,973	-
Staff welfare expenses	56,836	-
Total	3,19,24,412	-

NOTE 20- INTEREST AND FINANCE COSTS	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Interest expenses & Finance cost	4,86,86,302	2,30,281
Total	4,86,86,302	2,30,281

NOTE 21- OTHER EXPENSES	As at	As at
	31 st March 2018	31 st March 2017
	Amount in ₹	Amount in ₹
Rent	29,28,420	-
Rates and taxes	7,41,674	2,500
Communication expenses	29,330	8,511
Director Sitting Fees and commission	4,90,000	-
Repairs and maintenance - others	3,92,137	-
Motor car expenses	2,05,382	-
Travelling and Conveyance	4,44,165	3,341
Electricity	1,51,468	-
Legal and Professional charges	12,69,584	1,10,467
Auditor's remuneration:	-	-
Statutory audit fees	4,50,000	60,000
Tax audit fees	-	25,000
Reimbursement of Expenses	4,373	-
Filing Fees	16,07,861	2,29,53,543
Stamping Expenses	20,32,000	79,62,700
Provision for Standard Assets	94,02,090	-
Common Establishment Expenses	28,75,000	-
Miscellaneous expenses	3,59,938	20,824
Total	2,33,83,422	3,11,46,886

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

22. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities:

(₹ in lakhs)

Particulars	As at	
	31 March 2018	31 March 2017
Contingent Liability in respect of demands from Income Tax authorities	Nil	0.04
Total	Nil	0.04

23. Expenditure in Foreign Currency - Nil

24. EMPLOYEE BENEFITS:

Gratuity *

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below.

(₹ in lakhs)

Change in Unfunded benefit obligations	As at	
	31 March 2018	31 March 2017
Present value of unfunded benefit obligations	15.94	Nil
Current Service cost	0	Nil
Interest cost	0	Nil
Actuarial (gain)/loss on obligations	0	Nil
Liability assumed on acquisition/(settled on Divestiture)	0	Nil
Benefits paid	0	Nil
Present value of unfunded benefit obligations	15.94	Nil

(₹ in lakhs)

Cost recognized for the period	As at	
	31 March 2018	31 March 2017
Current service cost	0	0
Interest cost	0	0
Actuarial (gain)/loss	0	0
Net gratuity cost	15.94	0

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets	Nil	Nil
Present value of unfunded benefit obligations	15.94	Nil
Net Liability	15.94	Nil

Actuarial assumptions used:

(₹ in lakhs)

	31 st March, 2018	31 st March, 2017
Discount rate	7.90% p.a.	NA
Salary escalation rate	7.00% p.a.	NA

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, attrition rate and other relevant factors.

Experience adjustments

Amounts for the current and previous four years are as follows:

(₹ in lakhs)

	Gratuity				
	Year ended 31 st March				
	2018	2017	2016	2015	2014
Defined benefit obligation	15.94	-	9.87	9.91	6.87
Plan assets	-	-	-	-	-
Surplus / (deficit)	(15.94)	-	(9.87)	(9.91)	(6.87)
Experience adjustments on plan liabilities	-	-	(0.04)	0.90	0.34
Experience adjustments on plan assets	-	-	-	-	-

Provident fund

The Company makes Provident Fund contributions to Recognized Provident Fund for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 9.67 lakhs (Year ended 31 March, 2016 ₹ Nil) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme.

Accumulated Compensated Absences*

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognised ₹ 14.05 lakhs (Previous year. ₹ NIL) for Compensated Absences in the Statement of Profit and Loss.

*The above disclosures are based on Actuarial valuation report.

Long Service Award

The Company provides for long service awards as at the balance sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of its fellow subsidiary.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

25. SHARE BASED PAYMENTS :

A) Equity Settled Options:

At the General Meetings of the holding company, Kotak Mahindra Bank Limited (Bank), the shareholders of the Bank had unanimously passed Special Resolutions on 5th July 2007, 21st August 2007 and 29th June 2015, to grant options to the eligible employees of the Bank and its subsidiary and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

- Kotak Mahindra Equity Option Scheme 2007; and
- Kotak Mahindra Equity Option Scheme 2015

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007
- Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013

Consequent to the above, the Bank has granted stock options to employees of the Company in accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOPs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank Nil (Previous year NIL) during the year on account of such costs and the same is forming part of 'Reimbursement of Expense on Employee Stock Option Scheme' under Employee benefits Expenses.

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 ₹ 20.87 lakhs (Previous year Nil) and the profit after tax would have been lower by ₹ 20.87 lakhs (Previous year ₹ Nil).

B) Cash Settled Scheme: Stock Appreciation Rights

At the General Meeting of the holding company, Kotak Mahindra Bank Limited (Bank), 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 outstanding SARs ranges from 1.30 year to 3.67 years.

Detail of activity under each SARs is summarized below:

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Outstanding/ Transfer at the beginning of the year	-	-
Granted during the year	4,610	-
Additions / Reduction due to transfer of Employees	8,808	-
Exercised during the year	3,159	-
Expired during the year	-	-
Outstanding at the end of the year	10,259	-

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

Effect of grant of employee based shared payments to employees on the statement of profit and loss and on its financial position:

	(₹ in lakhs)	
Year ended March 31,	2018	2017
Total Employee Compensation Cost pertaining to employee share based payment	49.83	Nil
Closing balance of liability for cash-settled scheme	62.52	Nil

26. EARNINGS PER SHARE (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:

Particulars	31 st March 2018	31 st March 2017
Profit attributable to the Equity Shareholders (₹ in lakhs) – (A)	1,437.83	338.35
Basic weighted average number of equity shares outstanding during the year – (B)	31,00,00,000	13,98,69,315
Nominal value of Equity Shares (₹)	10	10
Basic & Diluted Earnings per share (₹) – (A) / (B)	0.46	0.24

27. Rent Payments to holding / fellow subsidiary company for sharing of premises are recognized in the Statement of Profit and Loss under the head 'Rent Expenses' ₹ 29.28 lakhs (P.Y. ₹ NIL).

28. SEGMENT REPORTING:

The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.

29. RELATED PARTY DISCLOSURES:

A. RELATED PARTIES WHERE CONTROL EXISTS:

Nature of relationship	Related Party
Ultimate Holding Company	Kotak Mahindra Bank Limited (KMBL) (Holds 30% of the equity share capital) and 30% held by Kotak Securities Limited (KSL), 20% each by Kotak Mahindra Capital Company Limited (KMCC) and Kotak Investment Advisors Limited.(KIAL) These three entities are subsidiaries of KMBL Uday S. Kotak along with relatives and entities controlled by him holds 30.04% (P.Y.32.02%) of the equity share capital of Kotak Mahindra Bank Limited as on 31stMarch, 2018.
Fellow Subsidiaries:	Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Investment Advisors Limited.

OTHER RELATED PARTIES:

(i) Fellow Subsidiary:	Kotak Mahindra Investments Limited (KMIL)
(ii) Key Management personnel (KMP):	Mr. Manoj Gupta, CEO & CFO

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

The following transactions were carried out with the related parties in the ordinary course of business:

PARTICULARS	(Amount ₹ In Lakhs)	
	Holding Company	Fellow Subsidiaries
LIABILITIES		
Equity Shares		
Kotak Mahindra Bank Limited	9,300.00	
	(9,300.00)	
Kotak Securities Limited		9,300.00
		(9,300.00)
Kotak Investment Advisor Limited		6,200.00
		(6,200.00)
Kotak Mahindra Capital Company Limited		6,200.00
		(6,200.00)
Preference Shares		
Kotak Mahindra Bank Limited	70.00	
	(70.00)	
Shared Service Payable to KMIL		16.20
		(-)
Shared Service Payable to KMBL	0.68	
	(-)	
Principal Amount (NCD)	25,000.00	
	(-)	
Interest Accrued on Borrowing	486.86	
	(-)	
ASSETS		
Shared Service Receivable from KMIL		0.38
		(-)
Current & Savings Account Balance	949.73	
	(2.38)	
Term Deposit	23.08	
	(30960.75)	
Interest Accrued on Term Deposit	-	
	(40.17)	
LIABILITIES (Transactions during the year)		
Equity Shares		
Kotak Mahindra Bank Limited	(9,300.00)	
Kotak Securities Limited		-
		(9,300.00)
Kotak Investment Advisor Limited		-
		(6,200.00)
Kotak Mahindra Capital Company Limited		-
		(6,200.00)

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

PARTICULARS	(Amount ₹ In Lakhs)	
	Holding Company	Fellow Subsidiaries
Borrowings (NCD)	25,000.00	
	(-)	
Transfer of Liability from Group Companies		55.13
		(-)
Transfer of Liability from Holding Company	3.06	
	(-)	
ASSETS (Transaction During the year)		
Term Deposits placed/renewed	125.64	
	(31,094.75)	
Term Deposits redeemed	31,063.31	
	(209.00)	
Assets transferred from KMIL		0.37
		(-)
NCD Purchase from Holding Company	5,011.83	
	(-)	
Property purchased from Holding Company	25.10	
	(-)	
INCOME & RECEIPTS		
Interest on Term Deposits	144.91	
	(814.54)	
Referral Fee Income	-	
	(3.00)	
EXPENSES		
Interest on Borrowings – KMBL	486.86	
	(-)	
Interest on Borrowings – KMIL		-
		(2.30)
Rent Expenses	29.28	
	(-)	
Reimbursement of Operating Expenses - KMBL	18.56	
	(0.01)	
Reimbursement of Operating Expenses - KMIL		20.79
		(0.02)
SALARY COST		
KEY MANAGERIAL PERSONNEL	167.75	
	(-)	

Figures in bracket indicate previous year figures.

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

DISCLOSURES UNDER NON-BANKING FINANCIAL COMPANIES - CORPORATE GOVERNANCE (RESERVE BANK) DIRECTIONS, 2015:

30. CAPITAL

(Amount in ₹ lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
i) CRAR (%)	56.99%	NA
ii) CRAR - Tier I Capital (%)	56.70%	NA
iii) CRAR - Tier II Capital (%)	0.29%	NA
iv) Amount of subordinated debt raised as Tier-II capital	Nil	NA
v) Amount raised by issue of Perpetual Debt Instruments	Nil	NA

31. INVESTMENTS

(Amount in ₹ lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(1) Value of Investments		
(i) Gross Value of Investments	33,366.36	Nil
(a) In India	33,366.36	Nil
(b) Outside India,	Nil	Nil
(ii) Provisions for Depreciation	Nil	Nil
(a) In India	Nil	Nil
(b) Outside India,	Nil	Nil
(iii) Net Value of Investments	33,366.36	Nil
(a) In India	33,366.36	Nil
(b) Outside India.	Nil	Nil
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add : Provisions made during the year	Nil	Nil
(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

32. DERIVATIVES :

- i. Forward rate agreement/ Interest rate swap (also includes Currency Interest rate Swaps): The company has not entered into forward rate agreements/ interest rate swaps during the financial year. (Previous year: Nil)
- ii. Exchange traded Interest rate (IR) Derivatives: The Company has not traded in Interest rate Derivative during the financial year. (Previous year: Nil)
- iii. Disclosure on Risk Exposure in Derivatives: Nil (Previous year –Nil)

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

33. DISCLOSURES RELATING TO SECURITISATION

- No transaction for Special Purpose Vehicle during the Financial year (Previous year – Nil)
- Financial asset sold to Securitization/Reconstruction company for Asset reconstruction: Nil (Previous year- Nil)
- Details of Assignment transactions undertaken by NBFC: During the current and previous year no assignment transaction has been undertaken.

Details of Non performing Financial assets purchased/Sold: During the current and previous year no Non performing Financial Assets has been purchased/sold from/to other NBFCs.

34. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES :

(Amount in ₹ lakhs)

	Upto 1 month	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	47.18	49.22	182.92	339.71	563.73	5157.47	5649.87	11515.12	23505.22
Investments	-	-	-	540.00	593.33	2493.33	7040.00	8754.61	19421.27
Borrowings*	-	-	-	-	-	-	25,000.00	70.00	25,070.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Note : In computing the above information, the management has made certain estimates, assumptions and adjustments which are also used for regulatory submission.

35. EXPOSURES

A. Exposure to Real Estate Sector:

	31 st March 2018	31 st March 2017
A Direct Exposure		
i. Residential Mortgages:	Nil	Nil
ii. Infrastructure Real Estate (SEZs, Industrial Parks, IT Parks)	Nil	Nil
iii. Commercial Real Estate	Nil	Nil
iv. Investment in Mortgage Backed Securities (MBS) and other securitised exposures	Nil	Nil
B Indirect Exposure		
i. Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
ii. Investment in Real Estate Venture Funds	Nil	Nil
Total	Nil	Nil

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

B. Exposure to Capital Market:

	31 st March 2018	31 st March 2017
A Direct Exposure		
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual fund	Nil	Nil
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
vi. loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
vii. bridge loans to companies against expected equity flows / issues	Nil	Nil
viii. all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total	Nil	Nil

C. Financing of parent company products : Nil (Previous year Nil)

D. Disclosure in respect of exposure where details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has exceeded : Nil (Previous year Nil)

E. Unsecured Advances: Nil (Previous year Nil)

36. REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS:

Nil

37. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS:

Nil (Previous year Nil)

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

38. RELATED PARTY TRANSACTIONS :

- Details of all material transactions with the related parties: Refer note no. 29.
- Disclosure of Policy on dealing with Related Party transactions :

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year. All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

39. RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR :

Rating Agency	Instrument	Rating	Effective Date	Valid Upto
CRISIL	Long Term Non-Convertible Debentures aggregating ₹ 200 Cr	"CRISIL AAA/stable"	12-03-2018	Upto the maturity of the NCD's issued under the same
CRISIL	Long Term Rating for Non-Convertible Debentures aggregating ₹ 300 Cr	"CRISIL AAA/stable"	22-11-2017	Upto the maturity of the NCD's issued under the same
CRISIL	Short Term Debt Programme (including Commercial Paper) for ₹ 30 Cr	"CRISIL A1+"	22-11-2017	21-01-2018
ICRA	Long Term Rating for Non-Convertible Debentures aggregating ₹ 300 Cr	ICRA AAA/stable"	20-11-2017	Upto the maturity of the NCD's issued under the same
ICRA	Short Term Debt Programme (including Commercial Paper) for ₹ 30 Cr.	"ICRA A1+"	09-01-2018	19-02-2019

40. REMUNERATION OF DIRECTORS : THE DETAILS OF TRANSACTION WITH NON-EXECUTIVE INDEPENDENT DIRECTORS ARE AS BELOW:

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
Directors' Sitting Fees	3.40	Nil
Commission to Directors	1.50	Nil

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

41. PROVISIONS AND CONTINGENCIES:

Break up of 'Provisions and Contingencies' (including write – offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
Provisions / (write back) for depreciation on Investment	Nil	Nil
Provision / (write back) for NPA	Nil	Nil
Provision made towards Income tax	Nil	Nil
Other Provision and Contingencies (with details)	Nil	Nil
Provision for Standard Assets	94.02	Nil

42. DRAW DOWN FROM RESERVES:

There was no draw down from reserves during the financial year. (Previous year Nil)

43. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

A. Concentration of Deposits (for deposit taking NBFCs): Not Applicable

B. Concentration of Advances

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
Total Advances to twenty largest borrowers	42,926.49	NA
Percentage of Advances to twenty largest borrowers to Total (Gross) Advances of the company	100%	NA

C. Concentration of Exposures**

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
Total Exposure to twenty largest borrowers / customers	42,926.49	NA
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	100%	NA

** Exposures in this case refer to higher of sanctioned limits or outstanding. It may be noted that the sanctioned limits are unconditionally cancellable at any time by the company without prior notice.

D. Concentration of NPAs

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
Total Exposure to top four NPA accounts	Nil	NA

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

E. Sector-wise NPAs

(Amount in ₹ lakhs)

Particulars	31 st March 2018	31 st March 2017
1 Agriculture & allied activities	Nil	NA
2 MSME	Nil	NA
3 Corporate borrowers	Nil	NA
4 Services	Nil	NA
5 Unsecured personal loans	Nil	NA
6 Auto loans	Nil	NA
7 Other personal loans	Nil	NA

During the year, the Company has entered into various non-deliverable currency forwards in order to hedge its investments in Indian Rupee. The details of outstanding contracts as at 31 March 2018 and the corresponding fair values are shown below:

F. Movement of NPAs

(Amount in ₹ lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
i) Net NPAs to Net Advances (%)	Nil	NA
ii) Movement of NPAs (Gross)		
a) Opening balance	Nil	NA
b) Additions during the year	Nil	NA
c) Reductions during the year	Nil	NA
d) Closing balance	Nil	NA
iii) Movement of Net NPAs		
a) Opening balance	Nil	NA
b) Additions during the year	Nil	NA
c) Reductions during the year	Nil	NA
d) Closing balance	Nil	NA
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	Nil	NA
b) Provisions made during the year	Nil	NA
c) Write-off / write-back of excess provisions	Nil	NA
d) Closing balance	Nil	NA

G. Overseas Assets: Nil

H. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

NOTES

FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

44. CUSTOMER COMPLAINTS:

a) No. of complaints pending at the beginning of the year	Nil
b) No. of complaints received during the year	Nil
c) No. of complaints redressed during the year	Nil
d) No. of complaints pending at the end of the year	Nil

45. SCHEDULE IN TERMS OF PARAGRAPH 13 OF NON BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998. (REFER EXCEL SHEET)

Notes:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
 - Provisioning norms shall be applicable as prescribed in the Non-Systematically Important Non-Banking Financial (Non deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
 - All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.
46. Previous year's figures have been regrouped / reclassified wherever necessary to conform to figures of the current period. The previous year comparative numbers were audited by a firm of Chartered Accountants other than S.R.Batliboi & Associates LLP.

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Mumbai

Dated: 24th April, 2018

For and on behalf of the Board of Directors

Dipak Gupta

Director

KVS Manian

Director

Manoj Gupta

Chief Executive Officer and
Chief Financial Officer

Ankur Sharma

Company Secretary



Kotak Mahindra Bank Limited, 27BKC, C 27,
G Block, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

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

CIN: L65110MH1985PLC038137