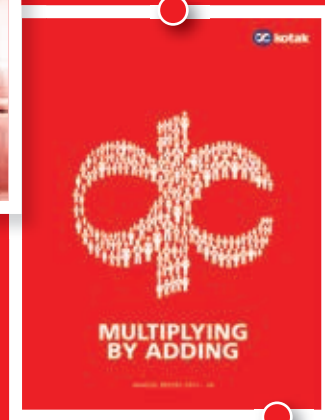


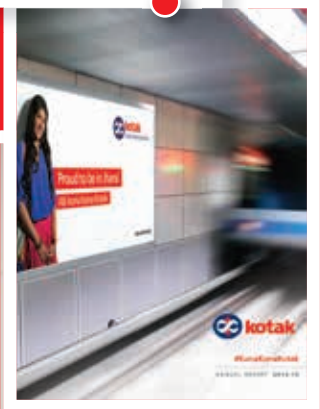
2016-17



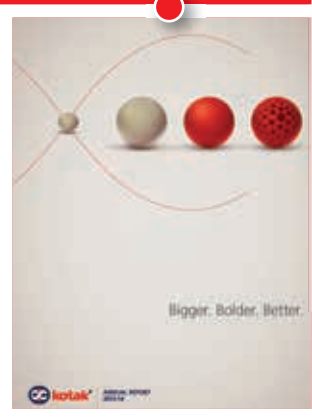
2015-16



Actions speak.



2014-15



2013-14



2012-13



2011-12

Director's statement

We are pleased to submit the first annual report to the member of Kotak Mahindra Asset Management (Singapore) Pte. Ltd. (the Company) for the year ended 31 March 2018.

In our opinion:

- (a) The financial statements set out are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provision of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Mr. Nitin Jain

Mr. Ruchit Puri

Mr. Gaurang Shah

Directors' interests

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Mr Nitin Jain	211,948	211,948
Holding Company : Kotak Mahindra Bank Limited - ordinary shares		
Mr Ruchit Puri	140,704	135,704
Holding Company : Kotak Mahindra Bank Limited - ordinary shares		
Mr Gaurang Shah		
Holding Company : Kotak Mahindra Bank Limited		
- ordinary shares	863,298	854,583
- options to subscribe for ordinary shares	200,426	156,641

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

Share options

During the year, there were:

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

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

Results and dividend

The Company's profit for the financial year ended 31 March 2018 amounted to ₹328,149,231 (2017: loss of ₹ 6,266,387).

The Company declared and paid a dividend of ₹ Nil (2017: ₹ Nil) during year.

Auditors

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

On behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

24 April, 2018

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Kotak Mahindra Asset Management (Singapore) Pte Limited

The financial statements of **Kotak Mahindra Management (Singapore) Pte Limited** (the "Company") as at 31st March, 2018, being a company registered in Singapore, are audited by KPMG LLP, Public Accountants & Chartered Accountants, Singapore and we have been furnished with their audit report dated 18th April, 2018.

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

REPORT ON THE FINANCIAL STATEMENTS

We have verified the accompanying financial statements duly converted in Indian Rupees from audited accounts in USD of Kotak Mahindra Asset Management (Singapore) Pte Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 and other relevant provisions of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act and the Rules made thereunder including 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 verification in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

A. N. Shah

Partner

M. No. 042649

Place: Mumbai

Date: 26th April, 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	3.1	93,970,000	93,970,000
(b) Reserves and surplus	3.2	328,161,513	(4,093,975)
2 Non-current liabilities			
(a) Deferred Tax		469,339	-
(b) Long-term provisions	3.3	9,996,255	-
3 Current liabilities			
(a) Trade payables		120,369,538	1,243,472
(b) Other current liabilities	3.4	29,651,330	-
(c) Short-term provisions	3.5	81,363,051	-
TOTAL		663,981,027	91,119,497
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Property, Plant and Equipment	3.6	2,116,589	-
(b) Long-term loans and advances	3.7	829,989	-
2 Current assets			
(a) Trade receivables	3.8	215,438,493	-
(b) Cash and bank balances	3.9	420,704,489	90,926,914
(c) Short-term loans and advances	3.10	24,625,037	188,966
(d) Other current assets	3.11	266,430	3,617
TOTAL		663,981,027	91,119,497
Significant Accounting Policies and Notes to Accounts	2 & 3		

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

A. N. Shah

Partner
Membership No.: 042649

Mumbai

Dated: 26, April 2018

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 24, April 2018

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			
(a) Service Income (net)		587,864,830	-
II. Other income	3.12	637,032	160,760
III. Total Revenue		588,501,862	160,760
IV. Expenses:			
Employee benefit expenses	3.13	128,330,830	-
Finance cost	3.14	2,134,290	10,255
Depreciation and Amortisation expense	3.6	717,528	-
Other expenses	3.15	63,348,551	6,416,892
Total expenses		194,531,200	6,427,147
V. PROFIT/(LOSS) BEFORE TAX		393,970,662	(6,266,387)
VI. Tax expense:			
(a) Current tax			
- Pertaining to profit/ (loss) for the current period		65,357,263	-
- Adjustment of tax relating to earlier periods		-	-
(b) Deferred tax		464,168	-
VII. PROFIT/(LOSS) FOR THE PERIOD		328,149,231	(6,266,387)
VIII. Earnings per equity share:			
Basic and Diluted	3.19	164.07	(3.13)
Significant Accounting Policies and Notes to Accounts	2 & 3		

In terms of our report of even date

For V. C. Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

A. N. Shah

Partner
Membership No.: 042649

Mumbai

Dated: 26, April 2018

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 24, April 2018

Statement of Cash Flows

for the year ended 31st March 2018

Particulars	For the year ended	For the year ended
	31 st March, 2018	31 st March, 2017
	₹	₹
Cash Flow from Operating Activities		
Net Profit / (Loss) before taxation	393,970,662	(6,266,387)
Adjustments for:		
- Impairment loss on trade receivables	3,156,582	-
- Depreciation & Amortization	717,528	-
- Exchange Adjustments	4,816,237	(1,869,667)
- Interest on deposits	(616,722)	(160,760)
Operating Profit / (Loss) before Working Capital Changes	402,044,287	(8,296,814)
Adjustments for:		
(Increase) / Decrease in Trade receivables	(218,595,076)	-
(Increase) / Decrease in Short-term loans and advances	(24,436,071)	738,604
(Increase) / Decrease in Long-term loans and advances	(829,989)	-
Increase / (Decrease) in Trade payable	119,126,066	801,248
Increase / (Decrease) in Short-term provisions	15,323,684	-
Increase / (Decrease) in Other current liabilities	29,651,330	-
Increase / (Decrease) in Long-term provisions	9,996,255	-
Cash Generated / (Used in) from Operations	332,280,487	(6,756,962)
Direct taxes paid	(46,026)	-
NET CASH FLOW (USED IN)/ FROM OPERATING ACTIVITIES (A)	332,234,461	(6,756,962)
Cash Flow from Investing Activities		
Purchase of fixed assets	(2,810,795)	-
Fixed Deposits placed during the year	(64,603,480)	-
Interest received	353,910	197,268
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)	(67,060,366)	197,268
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	-	-
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash and Cash Equivalents (A + B + C)	265,174,095	(6,559,694)
Cash and Cash Equivalents at the beginning of the year	90,926,914	97,486,608
Cash and Cash Equivalents at the end of the period	356,101,009	90,926,914
	265,174,095	(6,559,694)

Notes:

- 1 The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 "Cash Flow Statements" specified under Section 133 and other relevant provisions of the Companies Act, 2013.
- 2 Figures in brackets indicate cash outflow.
- 3 The previous year's figures have been re-grouped, wherever necessary in order to conform with this year's presentation.

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

For V . C. Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

A. N. Shah

Partner
Membership No.: 042649

Mumbai

Dated: 26, April 2018

For and on Behalf of the Board of Directors

Nitin Jain

Director & CEO

Ruchit Puri

Director

Dated: 24, April 2018

Notes to the Financial Statements

for the year ended 31st March 2018

1 ORGANISATION AND NATURE OF BUSINESS

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation

i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting standards notified under Section 133 and other relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in accounting policies disclosed hereafter, if any.

ii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 Conversion to Indian Rupees

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

2.3 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

2.4 Revenue Recognition

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

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

Notes to the Financial Statements

for the year ended 31st March 2018

2.5 Cash and cash equivalents

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

2.6 Earnings per share

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

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

2.7 Taxes

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

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

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

2.8 Provisions and Contingencies

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

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

2.9 Share options

During the year, there were:

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

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

2.10 Employee Share based payments

Cash-settled scheme:

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

Notes to the Financial Statements

for the year ended 31st March 2018

2.11 Fixed Assets

Property, Plant and Equipment

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

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

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting date.

Losses arising from the retirement of and gains or losses arising from disposal of Property, plant and Equipment which are carried at cost, are recognised in the Statement of Profit and Loss.

2.12 Leases

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

Notes to the Financial Statements

for the year ended 31st March 2018

3 NOTES TO ACCOUNTS

3.1 (a) Share capital

Share Capital	As at 31 March 2018	As at 31 March 2017
	₹	₹
Issued, Subscribed and fully Paid up		
2,000,000 (Previous year 2,000,000) Equity Shares of SGD 1 each	93,970,000	93,970,000
Total	93,970,000	93,970,000

(b) Equity shares

Reconciliation of equity share capital	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
	Quantity	₹	Quantity	₹
Share capital outstanding at the beginning of the year	2,000,000	93,970,000	2,000,000	93,970,000
Issued during the period	-	-	-	-
Share capital outstanding at the end of the year	2,000,000	93,970,000	2,000,000	93,970,000

(c) Terms/rights attached to equity shares

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

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

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

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

Number of equity share	As at 31 March 2018	As at 31 March 2017
Kotak Mahindra Bank Limited	2,000,000	2,000,000

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

Equity shares of SGD 1 fully paid up

	As at 31 March 2018		As at 31 March 2017	
	number	% holding	number	% holding
Kotak Mahindra Bank Limited	2,000,000	100.00%	2,000,000	100.00%

Notes to the Financial Statements

for the year ended 31st March 2018

3.2 Reserves and Surplus

	As at 31 March 2018	As at 31 March 2017
	₹	₹
a. Translation Reserve		
Opening Balance	(1,989,843)	(120,176)
Additions/(deductions) during the period	4,106,257	(1,869,667)
Closing Balance	2,116,414	(1,989,843)
b. Surplus in the statement of profit and loss		
Opening balance	(2,104,132)	4,162,255
Net Profit / (Loss) for the current year	328,149,231	(6,266,387)
Closing Balance	326,045,099	(2,104,132)
Total	328,161,513	(4,093,975)

3.3 Long-term provisions

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Provision for employee benefits		
Stock Appreciation Rights (refer note 3.18)	9,996,255	-
Total	9,996,255	-

3.4 Other current liabilities

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Other payable	25,081,547	-
Expenses payable to group companies	4,569,783	-
Total	29,651,330	-

3.5 Short-term Provisions

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Provision for employee benefits:		
Provision for Stock Appreciation Rights (refer note 3.18)	14,961,395	-
Payable to statutory funds	362,288	-
Other Provisions:		
Provision for taxes (net of Advance tax of ₹46,026)	66,039,368	-
Total	81,363,051	-

Notes to the Financial Statements

for the year ended 31st March 2018

3.6 Property, Plant and Equipments

	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1 st April, 2017	Additions	Deduction / Adjustment*	Balance as at 31 st March, 2018	Balance as at 1 st April, 2017	Depreciation charge for the year	Deduction / Adjustment*	Balance as at 31 st March, 2018	Balance as at 31 st March, 2018	Balance as at 31 st March, 2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Computer & Software	-	597,119	(6,653)	603,772	-	176,067	1,961	178,028	425,744	-
Furniture and Fixtures	-	744,244	(8,292)	752,536	-	152,319	1,697	154,016	598,520	-
Office equipment	-	1,469,432	(16,371)	1,485,803	-	389,142	4,336	393,478	1,092,325	-
Total	-	2,810,795	(31,316)	2,842,111	-	717,528	7,994	725,522	2,116,589	-
Previous Year										

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

3.7 Long Term Loans and Advances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Unsecured, considered good		
Security Deposits	775,242	-
Prepaid expenses	54,747	-
Total	829,989	-

3.8 Trade Receivables

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Unsecured, considered good		
Outstanding for a period less than six months from the date they are due for payment	215,420,336	-
Outstanding for a period more than six months from the date they are due for payment	18,157	-
Considered doubtful	3,156,582	-
Less: Provision for doubtful debts	(3,156,582)	-
Total	215,438,493	-

Notes to the Financial Statements

for the year ended 31st March 2018

3.9 Cash and bank balances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Cash and cash equivalent		
Balances with banks:		
On Current accounts	193,163,482	14,337,908
Deposits with original maturity of less than 3 months	162,937,527	76,589,006
Other Bank Balances		
Deposits with original maturity of more than 3 months	64,603,480	-
Total	420,704,489	90,926,914

3.10 Short-term Loans and Advances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Unsecured, considered good		
Prepaid expenses	5,975,528	188,966
GST Input Credit	18,649,509	-
Total	24,625,037	188,966

3.11 Other current assets

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Unsecured, considered good		
Interest accrued on deposit	266,430	3,617
Total	266,430	3,617

3.12 Other Income

	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
	₹	₹
Miscellaneous income	20,310	-
Interest income on fixed deposits	616,722	160,760
Total	637,032	160,760

Notes to the Financial Statements

for the year ended 31st March 2018

3.13 Employee Cost

	For the year ended	For the year ended
	31 st March, 2018	31 st March, 2017
	₹	₹
Salaries, bonus and allowances	99,509,849	-
Contribution to statutory funds	2,085,525	-
Deferred Incentive	2,475,969	-
Expenses on stock appreciation rights	24,162,092	-
Staff Welfare	97,396	-
Total	128,330,830	-

3.14 Finance cost

	For the year ended	For the year ended
	31 st March, 2018	31 st March, 2017
	₹	₹
Bank Charges	2,134,290	10,255
Total	2,134,290	10,255

3.15 Other expenses

	For the year ended	For the year ended
	31 st March, 2018	31 st March, 2017
	₹	₹
Auditor's remuneration	2,548,440	819,283
- Statutory fees	2,524,467	809,505
- Reimbursement of expenses	23,972	9,778
Foreign Exchange Loss (net)	(3,444,283)	3,442,480
Professional and legal fees	37,062,600	356,435
Licensing Expenses	353,502	503,243
Membership and subscription	245,505	20,836
Insurance	4,689,670	1,274,615
Advertising, business promotion and entertainment	2,171,324	-
Communication expenses	647,988	-
Euroclear Fees	6,437,831	-
Rent	4,105,524	-
Repairs and maintenance	1,703,025	-
Travel and conveyance expenses	3,671,736	-
Miscellaneous expenses	33,886	-
Provision for doubtful debts	3,121,803	-
Total	63,348,551	6,416,892

Notes to the Financial Statements

for the year ended 31st March 2018

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

3.17 Operating leases

At 31 March 2018, the Company was committed to making the following lease rental payments under a non-cancellable operating lease:

	2018	2017
	₹	₹
Payable:		
- Within one year	4,105,504	-
- Between two and five years	1,368,479	-
Total	5,473,983	-

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

3.18 Stock appreciation rights (SARs)

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

The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.30 years to 3.67 years.

Detail of activity under SAR is summarized below:

	No. of SARs	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Outstanding at the beginning of the year	-	-
Granted during the year	51,590	-
Additions/Reduction due to transfer of employees	82,110	-
Exercised during the year	27,419	-
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	106,281	-

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

	₹	
Year ended March 31,	2018	2017
Total Employee Compensation Cost pertaining to share-based payment plans	24,162,092	-
Closing balance of liability for cash-settled options	24,957,650	-

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

Notes to the Financial Statements

for the year ended 31st March 2018

3.19 Earnings per equity share

Particulars	As at 31 March 2018	As at 31 March 2017
	₹	₹
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	328,149,231	(6,266,387)
Weighted average number of equity shares used in computation of basic earnings per share (B)	2,000,000	2,000,000
Nominal value of Equity shares	S\$ 1	S\$ 1
Basic and diluted earnings / (loss) per share (₹) A/B	164.07	(3.13)

3.20 Related Party Transactions

During the year ended 31 March 2018, the Company entered into transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at		
			31 st March, 2018	31 st March, 2017	31 st March, 2018	31 st March, 2017	
			Related Parties	Nature of relationship	Nature of transactions		
Kotak Mahindra Bank Limited	Ultimate Parent Company	Outsourcing Costs	26,573,972	-	-	-	-
Kotak Investment Advisors Limited	Fellow Group Entities	Investment advisory expense	24,971,829	-	-	-	-
Kotak Mahindra Inc	Fellow Group Entities	Service fees expenses	20,283,634	-	(2,188,888)	-	-
Kotak Mahindra UK Limited	Fellow Group Entities	Distribution Fees	(866,462,873)	-	(105,295,864)	-	-
Kotak Mahindra Asset Management Company Ltd	Fellow Group Entities	Investment advisory expense	10,298,764	-	-	-	-
K Fixed Income Opportunities Fund	Investment Manager	Investment management Income	3,011,270	-	(1,013,856)	-	-
K Opportunities Fund SPC	Investment Manager	Investment management Income	125,968,846	-	10,005,188	-	-
Kotak Infinity Fund	Investment Manager	Investment management Income	59,822,386	-	8,231,601	-	-
Kotak WM India Fund	Investment Manager	Investment management Income	1,429,084	-	124,581	-	-
Core India Infrastructure Fund Pte. Ltd	Investment Manager	Investment management Income	56,723,348	-	3,421,699	-	-

Notes to the Financial Statements

for the year ended 31st March 2018

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Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2018	31 st March, 2017	31 st March, 2018	31 st March, 2017
BIF India Cactus Pte Ltd	Investment Manager	Investment management Income	1,017,290	-	275,156	-
BIF India Holdings Pte Ltd	Investment Manager	Investment management Income	470,770	-	127,334	-
Kotak Global Funds	Investment Manager	Investment management Income	11,589,514	-	1,367,384	-
Global Investment Opportunities Fund Limited	Investment Manager	Investment management Income	3,076,710	-	413,707	-
Global Investment Opportunities Fund Limited	Investment Manager	Distribution Income	2,022,716	-	147,455	-
Kotak Funds - India Growth Fund	Investment Manager	Investment management Income	162,742,264	-	14,361,957	-
Kotak Funds - India Midcap Fund	Investment Manager	Investment management Income	770,615,304	-	105,710,922	-
Kotak Funds - India Fixed Income Fund	Investment Manager	Investment management Income	22,971,135	-	4,144,907	-
K Advantage Opportunites Fund	Investment Manager	Investment management Income	61,784,706	-	(541,558)	-
K Debt Opportunities Fund Limited - I	Investment Manager	Investment management Income	244,897,942	-	24,052,697	-
Kotak India Consumption Fund Ltd	Investment Manager	Investment management Income	3,126,947	-	260,446	-
Kotak Investment Opportunities Fund Limited	Investment Manager	Investment management Income	97,104	-	5,040	-
K Advantage (Mauritius) Ltd - I	Investment Manager	Reimbursement of Expenses	-	-	178,001	-
K Debt Opportunities Fund Limited - II	Investment Manager	Reimbursement of Expenses	-	-	52,140	-
K Fixed Maturity Plan - VIII	Investment Manager	Reimbursement of Expenses	-	-	464,580	-

Notes to the Financial Statements

for the year ended 31st March 2018

₹

Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
			31 st March, 2018	31 st March, 2017	31 st March, 2018	31 st March, 2017
Related Parties	Nature of relationship	Nature of transactions				
K-India Fixed Maturity Plan-I	Investment Manager	Reimbursement of Expenses	-	-	401,478	-
Kotak Fixed Maturity Plan I	Investment Manager	Reimbursement of Expenses	-	-	401,478	-
Kotak Fixed Maturity Plan -III	Investment Manager	Reimbursement of Expenses	-	-	463,720	-
Kotak Fixed Maturity Plan - IX	Investment Manager	Reimbursement of Expenses	-	-	489,045	-
Kotak Fixed Maturity Plan - V	Investment Manager	Reimbursement of Expenses	-	-	421,031	-
Kotak Fixed Maturity Plan - X	Investment Manager	Reimbursement of Expenses	-	-	495,004	-
Kotak India Advantage Fund - I	Investment Manager	Reimbursement of Expenses	-	-	523,029	-
Kotak India Advantage Fund - III	Investment Manager	Reimbursement of Expenses	-	-	848,904	-
			747,032,662	-	68,348,317	-

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

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

In terms of our report of even date

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

A. N. Shah
Partner
Membership No.: 042649

Mumbai

Dated: 26, April 2018

For and on Behalf of the Board of Directors

Nitin Jain
Director & CEO

Ruchit Puri
Director

Dated: 24, April 2018



Kotak Mahindra Bank Limited, 27BKC, C 27,
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CIN: L65110MH1985PLC038137