

Actions speak.

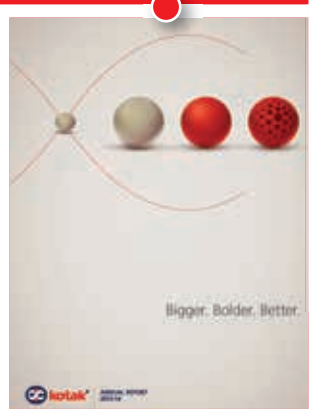
2016-17



2015-16



2014-15



2013-14



2012-13



2011-12

Directors' Report

Directors' report to the shareholders

The directors present their report and the audited financial statements of Kotak Mahindra (International) Limited (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

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

MARKET AND BUSINESS UPDATE:

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

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

During the year, the Company continued to earn from its investments which are classified as available-for-sale and other derivative financial instruments. The available-for-sale investments are predominantly into debt instruments and have low duration risk.

The Indian economy has been amongst the fastest growing larger economies and with a stable macro-economic factors, due to which it saw keen interest from global investors both in equities and fixed income investments. The Company expects to witness continued interest in India, however, it also expect the capital markets to be volatile during the next financial year driven by various global factors and local factors. Though there may be few near term worries, India is likely to be one of the fastest growing economies in the world and will continue to attract global investor interest across asset classes.

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

RESULTS AND DIVIDEND

The Company's profit for the financial year ended 31 March 2018 amounted to ₹620,052,919 (2017: ₹529,606,299).

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

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

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

AUDITORS

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

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Kotak Mahindra (International) Limited.

The financial statements of Kotak Mahindra (International) Limited (the "Company") as at 31st March, 2018, being a company registered in the Mauritius, are audited by KPMG, Licensed by FRC, Mauritius and we have been furnished with their audit report dated 20th 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 (International) 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 st March 2018	31 st March 2017
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	161,597,644	161,597,644
(b) Reserves and surplus	3.2	5,158,446,693	4,508,853,770
2 Non-current liabilities			
(a) Long-term provisions	3.3	7,256,495	4,363,842
(b) Deferred Tax		41,844	-
3 Current liabilities			
(a) Short-term borrowings	3.4	4,011,095,859	5,106,100,908
(b) Trade payables		248,456,961	2,139,767,597
(c) Other current liabilities	3.5	46,851,493	67,990,130
(d) Short-term provisions	3.6	10,766,881	6,816,560
TOTAL		9,644,513,870	11,995,490,451
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Property, Plant and Equipment	3.7	179,851	808,636
(b) Non-current investments	3.8	1,028,396,042	959,805,021
(c) Long-term loans and advances	3.9	26,168,946	25,845,008
(d) Other Non-current assets	3.10	-	88,226,953
2 Current assets			
(a) Current investments	3.8	6,598,132,161	7,827,542,792
(b) Trade receivables	3.11	96,206,008	427,551,657
(c) Cash and bank balance	3.12	1,720,000,020	2,578,301,604
(d) Short-term loans and advances	3.13	5,277,764	5,211,576
(e) Other current assets	3.14	170,153,078	82,197,203
TOTAL		9,644,513,870	11,995,490,451
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

Mamode Izam Nathadkhan **Doomraj Sooneelall**
Director Director

Dated: 23 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) Income from Services (net)		723,723,848	603,757,072
(b) Income from Investments (net)		265,558,488	213,377,714
II. Other income	3.15	25,083,407	9,713,102
III. Total Revenue		1,014,365,742	826,847,888
IV. Expenses:			
Employee Benefit Expenses	3.16	88,899,233	79,630,548
Interest and Financial Costs	3.17	115,876,567	71,801,578
Depreciation and Amortisation expense	3.7	230,751	1,220,740
Other Expenses	3.18	132,028,545	125,275,623
Total expenses		337,035,095	277,928,489
V. PROFIT/(LOSS) BEFORE TAX		677,330,647	548,919,399
VI. Tax expense:			
(a) Current tax			
- Pertaining to profit/ (loss) for the current period		56,935,872	19,524,351
- Adjustment of tax relating to earlier periods		300,474	(211,251)
(b) Deferred tax		41,382	-
		57,277,728	19,313,100
VII. PROFIT/(LOSS) FOR THE YEAR		620,052,919	529,606,299
VIII. Earnings / (loss) per equity share (in ₹):			
Basic & Diluted	3.25	151.91	129.75
Significant accounting policies and notes to the financial statements	2 & 3		

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

A. N. Shah

Partner
Membership No.: 042649

Mumbai

Dated: 26 April, 2018

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan

Director

Doomraj Sooneelall

Director

Dated: 23 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	677,330,648	548,919,399
Adjustments for:		
Depreciation and Amortisation Expense	230,751	1,220,740
Dividend Income	(383,028)	(72,912,222)
Interest Income	(312,234,936)	(287,115,822)
Interest and other Financial Charges	115,876,567	71,801,578
Exchange Adjustments	29,986,988	(106,634,873)
Amortisation of premium/ accretion of discount on bonds and convertible bonds	90,670,796	100,915,049
Unrealised loss/(gain) on investments	-	(7,273,880)
Realised loss/ (gain) on disposal of available-for-sale investments	(58,015,148)	(10,937,957)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	543,462,639	237,982,012
Adjustments for:		
(Increase) / Decrease in Loans and advances - Long term	(633,415)	932,921
(Increase) / Decrease in Loans and advances - Short term	(66,188)	(435,603)
(Increase) / Decrease in Other Non current assets	88,226,953	33,729,682
(Increase) / Decrease in Trade receivables	331,345,649	(170,738,112)
(Increase) / Decrease in current assets	(76,868,875)	314,206,561
Increase / (Decrease) in Trade payables	(1,891,310,636)	1,626,489,439
Increase / (Decrease) in Other current liabilities	(21,138,637)	(37,793,988)
Increase / (Decrease) in long term provision	2,892,653	1,616,492
Increase / (Decrease) in Short term provision	4,241,125	1,793,329
Cash Generated from Operations	(1,019,848,732)	2,007,782,733
Income taxes paid	(57,217,212)	(18,089,462)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(1,077,065,944)	1,989,693,271
Cash Flow from Investing Activities		
Purchase of investments	(383,028)	(1,468,926)
Purchase of AFS investments and other investment	(7,435,705,141)	(11,577,012,965)
Sale of investments	37,288,116	14,549,656
Proceeds from sale of available-for-sale investments	8,526,964,016	9,429,681,729
Deposits (placed) / redeemed with Banks	(1,155,901,057)	2,813,253
Purchase of fixed assets	(48,950)	(34,713)
Dividend Received	383,028	72,912,222
Interest Received	301,147,936	277,475,677
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	273,744,920	(1,781,084,067)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
	₹	₹
Cash Flow from Financing Activities		
Movement in share capital		
Short term loan accepted	(1,095,005,049)	1,606,102,970
Interest and other Financial Charges Paid	(115,876,567)	(71,801,578)
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	(1,210,881,616)	1,534,301,392
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	(2,014,202,639)	1,742,910,595
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,090,970,301	348,059,706
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	76,767,660	2,090,970,301
	(2,014,202,640)	1,742,910,595

Notes:

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

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

Mamode Izam Nathadkhan
Director

Doomraj Sooneelall
Director

Dated: 23 April, 2018

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

1 ORGANISATION AND NATURE OF BUSINESS

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

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

The Company operates a Representative office (the “Representative office”) in Abu Dhabi, United Arab Emirates. The Company has an associate and fellow subsidiary in the United Kingdom, Kotak Mahindra (UK) Limited (“KMUK”) and also an associate and fellow subsidiary in United Arab Emirates, Kotak Mahindra Financial Services Limited (“KMFSL”).

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 provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in accounting policies disclosed hereafter, if any.

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

2.2 Conversion to Indian Rupees

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

2.3 Use of estimates

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

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

2.4 Revenue Recognition

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

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

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

2.5 Expenses

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

2.6 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:

Office Equipment 3 years

Computers 3 years

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

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

2.7 Investments

Investments in Associate/ fellow subsidiaries are stated at cost.

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

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

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

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

All investment transactions are recognised using trade date accounting.

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

2.8 Employee benefits

Provision for employees' end of service benefits represents the liability that would arise if the employment of all eligible staff of the representative office were terminated as of the balance sheet date and is calculated in accordance with the UAE Federal Labour Law.

2.9 Leases

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

2.10 Taxes

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

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty of its realisation, supported by convincing evidence.

2.11 Earnings per share

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

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

2.12 Provisions

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

2.13 Cash and Cash Equivalents

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

2.14 Employee Share based payments

Cash-settled scheme:

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

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3 NOTES TO ACCOUNTS

3.1 (a) Share Capital

	As at 31 March 2018	As at 31 March 2017
Authorised shares		
4,081,650 (31 st March 2017: 4,081,650) equity shares of USD 1 each	\$4,081,650	\$4,081,650
Issued, Subscribed and fully Paid up	₹	₹
4,081,650 (31 st March 2017: 4,081,650) equity shares of USD 1 each	161,597,644	161,597,644
Total	161,597,644	161,597,644

(b) Equity shares

Reconciliation of number of shares	As at 31 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	4,081,650	161,597,644	4,081,650	161,597,644
Issued during the period	-	-	-	-
Number of shares at the end	4,081,650	161,597,644	4,081,650	161,597,644

(c) Terms/rights attached to equity shares

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

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

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

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

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

Number of equity share	As at 31 March 2018	As at 31 March 2017
Kotak Mahindra Bank Limited, the holding company	2,081,650	2,081,650
Kotak Mahindra Capital Company Limited, subsidiary of Kotak Mahindra Bank Limited	2,000,000	2,000,000

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

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

Equity shares of USD 1 fully paid up

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Kotak Mahindra Bank Limited, holding company	2,081,650	51	2,081,650	51
Kotak Mahindra (International) Limited, subsidiary of Kotak Mahindra Bank Limited	2,000,000	49	2,000,000	49

3.2 Reserves and Surplus

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Translation Reserve		
Opening Balance	885,928,687	992,566,428
Additions/(deductions) during the period	29,540,004	(106,637,741)
Closing Balance	915,468,691	885,928,687
Surplus in the statement of profit and loss		
Opening balance	3,622,925,083	3,093,318,784
(+) Net Profit/(Net Loss) for the year	620,052,919	529,606,299
Closing Balance	4,242,978,002	3,622,925,083
Total	5,158,446,693	4,508,853,770

3.3 Long-term provisions

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Unsecured		
Provision for Stock-appreciation Rights	4,103,663	2,167,429
Provision for employee benefit (gratuity)	3,152,832	2,196,413
Total	7,256,495	4,363,842

NOTES

Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.4 Short-term borrowings

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Unsecured borrowings		
Loan from fellow subsidiary	-	51,880,000
Secured borrowings		
Banks (against floating charge on the assets)	4,011,095,859	5,054,220,908
Total	4,011,095,859	5,106,100,908

3.5 Other current liabilities

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
MTM provisions - Derivatives	3,780,557	32,322,087
Income received in advance	43,070,936	35,668,043
Total	46,851,493	67,990,130

3.6 Short-term Provisions

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Provision for income tax (net of advance tax ₹ 16,207,915 (Previous year ₹ 14,138,727))	4,444,348	4,735,152
TDS payable	-	22,373
Provision for LTA	17,212	-
Provision for Stock-appreciation Rights	6,305,321	2,059,035
Total	10,766,881	6,816,560

3.7 Property, Plant and Equipment

	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										
Office Equipment	3,371,956	17,376	17,092	3,406,424	2,788,380	172,157	304,070	3,264,607	141,817	583,576
Computers	1,812,849	31,574	9,438	1,853,861	1,587,788	58,595	169,444	1,815,827	38,034	225,060
Total	5,184,804	48,950	26,530	5,260,285	4,376,168	230,751	473,514	5,080,433	179,851	808,636
Previous Year	5,262,833	34,713	112,741	5,184,805	3,265,301	1,220,740	109,873	4,376,168	808,637	

* Deductions/ adjustments include effect of Translation Reserve of ₹ 26,530 (2017: ₹ 112,741) under Gross Block and ₹ 473,514 (2017: ₹109,873) under Accumulated Depreciation

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.8 Investments

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2018	31 st March, 2018	31 st March, 2017	31 st March, 2017
Non-trade Investments (Fully paid, cost)				
Investment in equity instruments (unquoted)				
Associate				
Kotak Mahindra (UK) Limited	470,000	26,287,575	470,000	26,287,575
Kotak Mahindra Financial Services Limited	450,000	25,898,375	450,000	25,898,375
Fellow Subsidiary				
Kotak Mahindra, Inc	1	45	1	45
Total		52,185,995		52,185,995
Equity and other similar funds (unquoted) and deb funds (unquoted)				
Kotak India Venture Fund I	386	25,158	386	25,032
Seaf India Investment and Growth Fund	69,030	449,903	69,030	447,660
Kotak India Real Estate Fund I	999	65,110	999	64,785
Kotak India Private Equity Fund Ltd	1,000	65,175	1,000	64,850
Kotak India Private Equity Fund Ltd III - Class B	1,000	65,175	1,000	64,850
Core Infrastructure India Fund Pte. Ltd	4,132,538	269,338,164	3,743,468	242,763,900
Core Infrastructure India Pte. Fund Ltd- Class B	1,000	65,175	1,000	64,850
Kotak India Fixed Income Fund	964,053	724,933,842	964,053	721,318,905
Total		995,007,701		964,814,831
Less: Provision for diminution		18,797,655		57,195,806
Equity and other similar funds (unquoted) and debt funds (unquoted)		976,210,047		907,619,026
Total Non-current Investments		1,028,396,042		959,805,021
Aggregate value of unquoted investments		1,028,396,042		959,805,021
Current Investments				
Equity and other similar funds (Unquoted) and deb funds				
Alps Kotak India Growth Fund	-	-	39,515	25,916,638
Total		-		25,916,638

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2018	31 st March, 2018	31 st March, 2017	31 st March, 2017
Bonds and Convertible Bonds (Quoted)				
Foreign Currency Bonds				
BOBIN 4.875 07/23/19	8,027,000	537,904,439	15,000,000	1,023,068,876
QNBK FLOAT 05/20/18	10,000,000	651,850,626	10,000,000	649,422,269
HDFCB 3% 03/06/18	-	-	3,850,000	251,885,515
INDIANOVERSEAS BANK 4.625% 02/21/18	-	-	5,000,000	328,459,722
ONGCIN 2.5% 05/07/18	-	-	2,070,000	134,804,491
EBIUH FLOAT 01/26/20	10,000,000	652,603,213	10,000,000	649,806,365
ONGCIN 3.25% 07/15/19	-	-	1,700,000	112,136,113
BANK OF BARODA 6.625% Lon BRN	-	-	27,000	1,789,421
RILIN 4.125% 01/28/25	-	-	50,000	3,383,766
DIALIN 6 1/8 02/03/22	50,000	3,438,286	50,000	3,462,892
ICICI 4.8% 05/22/19	1,695,000	113,263,960	8,895,000	603,846,338
INRCIN 3.917% 02/26/19	-	-	586,000	39,079,565
EXIMBK 2 3/4 04/01/20	130,000	8,472,843	130,000	8,370,092
ICICI 3.5% 03/18/20	204,000	13,437,854	104,000	6,833,095
ONGCIN 4.625% 07/15/24	103,000	6,860,380	103,000	6,846,189
PERTIJ 5 5/8 05/20/43	4,000	242,871	4,000	241,370
RELIANCE IND 5.875 02/28/49	-	-	700,000	46,393,690
AXSBIN 2.875% 06/01/21	70,000	4,511,281	70,000	4,473,850
ICICI BANK 5.3/4% 11/16/20	141,000	9,807,768	141,000	9,980,681
ICICI 6.375% 04/30/2022	-	-	450,000	29,237,978
SBIIN 3.25% 01/24/22	-	-	2,500,000	163,320,262
AXSBIN 3.25% 05/21/20	-	-	100,000	6,529,632
UPLIN 3.25% 10/13/21	-	-	70,000	4,448,531
BEIAIJ 3.875% 04/06/24	-	-	200,000	12,963,256
AXISBIN 5.125 09/05/17	-	-	2,022,000	132,793,199
Bank of India 3.625 09/21/18	-	-	10,064,000	662,725,211
CBKIN 5.25% 10/18/18	-	-	15,550,000	1,050,074,347
ICICI 4.7% 02/21/18	-	-	200,000	13,288,861
IDBI 4.375% 03/26/18	-	-	5,000,000	328,426,884
SYNDICATE BANK 4.125% 04/12/18	-	-	5,192,000	341,024,069
SNDBIN 3.875% 12/04/19	-	-	4,540,000	300,178,017
Bank of India Jersey VAR 29/03/2049	-	-	27,000	1,782,888
STATE BANK OF INDIA 3.25% 04/18/18	-	-	102,000	6,698,661

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

Script Name	Quantity	Amount as at	Quantity	Amount as at
	31 st March, 2018	31 st March, 2018	31 st March, 2017	31 st March, 2017
SBIN 3.622% 04/17/19	-	-	499,000	33,129,519
UNBKIN 4.5% 10/28/19	-	-	3,964,000	267,365,126
NTPCIN 4.75% 10/03/22	-	-	20,000	1,390,074
BOIIN 3 1/8 05/06/20	-	-	160,000	10,240,187
UNION BANK OF INDIA 3.625% 10/25/18	-	-	8,620,000	567,249,298
BANK OF INDIA 3.625 09/21/18	9,864,000	646,091,736	-	-
SYNDICATE BANK 4.125% 04/12/18	5,452,000	355,467,146	-	-
UNION BANK OF INDIA 3.625% 10/25/18	5,620,000	368,201,203	-	-
CBKIN 5.25% 10/18/18	14,984,000	991,484,215	-	-
UNBKIN 4.5% 10/28/19	6,192,000	413,229,052	-	-
SNDBIN 3.875% 12/04/19	9,990,000	655,576,562	-	-
BOIIN 3 1/8 05/06/20	160,000	10,333,879	-	-
UPLLIN 3.25% 10/13/21	70,000	4,489,687	-	-
ICICI 7% 11/23/20	100,000	7,078,284	-	-
TTMTIN 4.625% 04/30/20	4,000,000	267,646,219	-	-
SRILAN 6.2% 05/11/27	25,000	1,672,891	-	-
ADSEZ 3.50% 07/29/20	5,000,000	329,743,257	-	-
JSTLIN 4.75% 11/12/19	4,820,000	319,217,217	-	-
TATAIN 4.85% 01/31/20	4,000,000	268,689,597	-	-
AXSBIN 3% 08/08/22	3,000	194,170	-	-
TATAIN 5.45% 01/24/28	1,000	63,237	-	-
Union Bank of India 4.5/8% 02/11/2016	-	-	-	-
Total Foreign Currency Bonds		6,641,571,871		7,817,150,300
Total		6,641,571,871		7,817,150,300
Less: Provision for diminution		43,439,709		15,524,146
Total Bonds and Convertible Debentures		6,598,132,161		7,801,626,154
Total Current Investments		6,598,132,161		7,827,542,792
Aggregate value of quoted investments		6,598,132,161		7,801,626,154
Aggregate market value of quoted investments		6,605,309,069		7,813,253,930
Aggregate value of unquoted investments		-		25,916,638
Total investments		7,626,528,203		8,787,347,813

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.9 Long Term Loans and Advances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
a. Security Deposits		
Unsecured, considered good	2,043,757	2,005,642
	2,043,757	2,005,642
b. Loans and advances to related parties		
Unsecured, considered good	24,119,638	23,524,338
	24,119,638	23,524,338
c. Advance Tax		
Income tax paid in advance (net of provision for tax ₹ 57,444,056 (Previous year ₹ 38,290,926))	5,551	315,028
Total	26,168,946	25,845,008

3.10 Other Non-Current Assets

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Margin money for Derivatives	-	88,226,953
	-	88,226,953

3.11 Trade Receivables

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	96,206,008	427,551,657
Total	96,206,008	427,551,657

3.12 Cash and bank balances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Balances with banks:		
On current accounts	76,767,660	2,090,970,301
Deposits with original maturity of less than three months	-	-
Deposits with original maturity of more than three months	1,643,232,359	487,331,303
Total	1,720,000,020	2,578,301,604

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.13 Short-term loans and advances

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Prepaid expenses		
Unsecured, considered good	5,277,764	5,211,576
Total	5,277,764	5,211,576

3.14 Other Current Assets

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Interest accrued on loan	782,100	713,350
Interest accrued on Bonds	80,273,454	80,238,765
Interest accrued on Deposits	12,228,649	1,245,088
Margin money for Derivatives	76,868,875	-
Total	170,153,078	82,197,203

3.15 Other income

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Interest Income on Fixed Deposit	23,835,971	8,507,181
Interest income on Loans	876,883	805,020
Other income	370,554	400,901
Total	25,083,407	9,713,102

3.16 Employee cost

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Salaries, bonus and allowances	75,338,257	72,239,912
Stock appreciation rights	10,619,547	4,646,255
Deferred Incentive	1,142,637	1,022,779
Staff welfare expenses	1,798,791	1,721,602
Total	88,899,233	79,630,548

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.17 Finance charges

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Interest on borrowings	109,512,015	65,438,437
Interest on OD	6,364,552	6,363,141
Total	115,876,567	71,801,578

3.18 Other expenses

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Auditor's remuneration	3,175,559	2,973,585
- Statutory fees	3,089,307	2,910,190
- Reimbursement of expenses	86,252	63,395
Bank Charges	1,965,268	2,456,283
Communication expenses	4,235,800	3,734,066
Custodial Charges	5,648,316	6,936,922
Foreign Exchange Loss (net)	25,007,491	54,375,929
Legal & professional charges	23,309,186	10,556,988
Miscellaneous expenses	10,698,712	15,859,653
Rent	2,256,491	2,403,860
Travel expenses	2,358,226	2,428,116
Business Sourcing Expenses	52,529,806	29,519,633
Other expenses	843,688	805,020
Provision/ (write back) on other receivables	-	(6,774,433)
Total	132,028,544	125,275,623

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

3.20 Contingent Liability

Guarantee secured against margin deposit in Dubai amounted to ₹ 320,074 (previous year ₹ 318,478)

3.21 Capital Commitment

The Company has made a total commitment of ₹ 651,750,000 (Previous year ₹ 648,500,000) of which ₹ 269,337,512 (Previous year ₹ 242,763,900) was called upon by Core Infrastructure India Fund Pte. Ltd. till 31st March 2018. The Company will be called upon at a later date to pay ₹ 382,412,488 (Previous year ₹ 405,736,100) to meet its total commitment in Core Infrastructure India Fund Pte. Ltd.

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

3.22 Short-term borrowings

The loan from Kotak Mahindra Inc, with a term of 365 days, bore an interest rate of 1.85% per annum per annum.

The loans from JP Morgan International Bank Ltd., with terms of up to 30 days bear an interest rate of 1.64 % to 2.44 % (2017: 1.10% to 1.50% per annum).

The Company has a banking facility of ₹ 3,258,750,000 (Previous year ₹ 1,621,250,000) which is against floating charge on the assets of the company. The assets that are subject to the floating charge shall have book value of at least 1.25 times (2017: 1.50 times) of the total outstanding amounts at all times during which there are an outstanding borrowing against the facility. Interest is payable on the amounts drawn at LIBOR plus 1.75% ranging from 2.50% to 3.50%. The amount outstanding as at 31 March 2018 was ₹ Nil (2017: ₹ 123,662,513).

3.23 The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions.

The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

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

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

3.24 Derivatives

Currency forwards

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

Non deliverable forwards

31st March, 2018

Currency Pair	Fair value	Notional Contract Value
	USD	USD
USD-INR	(245,983)	13,000,000

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Forming Part of The Financial Statement For The Year Ended 31 March, 2018

31st March, 2017

Non deliverable forwards

Currency Pair	Fair value	Notional Contract Value
	USD	USD
USD-INR	(665,409)	11,000,000

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

Reporting period	Unrealised Gain/ (Loss)	Notional Contract Value
	USD	USD
31 st March, 2018	307,905	(58,000,000)
31st March, 2017	307,594	(68,500,000)

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

Reporting period	Unrealised Gain/ (Loss)	Notional Contract Value
	USD	USD
31 st March, 2018	(119,928)	2,667,993
31st March, 2017	(140,598)	5,335,985

Summary and total outstanding derivative financial instruments outstanding as at March 31, 2018

	As on March 31, 2018		As on March 31, 2017	
	Fair Value	Notional	Fair Value	Notional
	USD	USD	USD	USD
Foreign Currency Forward Contracts	(245,983)	13,000,000	(665,409)	11,000,000
Total Return Swap	(119,928)	2,667,993	(140,598)	5,335,985
Interest Rate Swap	307,905	(58,000,000)	307,594	(68,500,000)
Total	(58,006)	(42,332,007)	(498,413)	(52,164,015)

3.25 Earnings per equity share

Particulars	As on	As on
	March 31, 2018	March 31, 2017
	₹	₹
Earnings / (loss) used in the computation of basic and diluted earnings per share (A)	620,052,919	529,606,299
Weighted average number of equity shares used in computation of basic earnings per share (B)	4,081,650	4,081,650
Nominal value of Equity shares	\$1	\$1
Basic and diluted earnings / (loss) per share (₹) A/B	151.91	129.75

3.26 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:

Particulars	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	27,968	10,440
Granted during the year	31,410	20,660
Additions/Reduction due to transfer of employees	1,080	-
Exercised during the year	9,654	3,132
Expired/Forfeited during the year	-	-
Outstanding at the end of the year	50,804	27,968

Effect of cash-settled options 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 cash-settled options	10,619,547	4,646,255
Closing balance of liability for cash-settled options	10,408,984	4,226,464

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 ₹ 803,029 (Previous year ₹ 257,132) and the profit after tax would have been lower by ₹ 778,939 (Previous year ₹ 249,418).

3.27 Transactions and balances arising from the Participating Notes Programme (“Notes Programme”) of the Company

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

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

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

- The business purpose of the Notes Programme for the Company is only to act as an agent for the client and to hold the underlying security on behalf of the client, on their instructions, in return for a fee income.
- All the significant risks and rewards associated with the underlying security rests with the client under the Notes Programme as stipulated under the Offering Circular dated 05 August 2013.”

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

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

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

Particulars	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Fee income from dealing in securities	151,934,131	121,819,719
Amount due from clients	9,320,807	4,507,140
Amount due to clients	162,541,823	2,062,003,090
Amount due from broker	16,767,963	169,616,472

3.28 Related Party Transactions

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

₹

Particulars			Volume of transaction for the year ended		Receivable/(Payable) Balance as at	
Related Parties	Nature of relationship	Nature of transactions	31 st March, 2018	31 st March, 2017	31 st March, 2018	31 st March, 2017
Kotak Mahindra (UK) Limited	Associate	Brokerage expenses	219,669	6,402,458	-	-
		Referral expenses	2,083,183	-	-	-
		Distribution fees Expenses	55,403,928	49,228,046	-	-
		Calculation agency expense	773,483	805,020	-	-
		Portfolio management expense	18,306,662	21,293,047	-	-
		Referral income	8,644,508	21,646,384	-	-
		Interest expense	3,339,254	945,899	-	-
		Subordinated loan	-	-	4,567,138	4,107,458
		Current account	-	-	(16,413,411)	144,475,765
Kotak Investment Advisors Limited	Fellow Group Entities	Advisory expense	156,958,482	160,194,418	35,195	746,674
Kotak India Realty Fund	Investment Manager	Investment management fee	-	8,021,152	2,029,354	719,051
Kotak India Venture (Offshore) Limited	Investment Manager	Investment management fee	3,768,279	7,526,266	-	12,633
		Dividend income	-	72,299,852	-	-
Kotak India Private Equity Fund	Investment Manager	Investment management fee	35,686,176	46,034,264	-	66,243
Kotak India Private Equity Fund - III	Investment Manager	Investment management fee	39,962,633	42,189,622	1,104,390	574,782
K-India Opportunities Fund Limited	Investment Manager	Investment Management, performance & service fee income	186,994,688	53,323,116	11,879,838	13,234,590
Kotak Securities Limited	Fellow Group Entities	Equity & derivative brokerage expenses	8,059,755	11,165,762	(36,563)	(375,792)

₹

Particulars		Nature of transactions	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
Kotak Mahindra Financials Services Limited	Associate	Loan given	-	-	19,552,500	19,637,250
		Interest Income	773,483	805,020	782,100	720,033
		Upfront fees expenses	18,571,451	12,792,841	(8,006,684)	(3,337,351)
Kotak Mahindra, Inc.	Fellow Group Entities	Loan repaid	51,565,520	13,417,000	-	52,366,000
		Interest Expense	645,858	742,832	-	(104,732)
		Referral expenses	45,379,656	30,883,452	(2,032,613)	(6,783,492)
		Referral income	6,833,592			
Kotak Mahindra Bank Limited	Holding Company	Clearing Charges, outsourcing expenses & advisory expenses	14,454,138	23,988,925	(211,363)	(188,518)
		Interest Expenses	8,592,427	-		
		Bank Balances	-	-	37,846,666	13,166,056
Kotak Mahindra Asset Management Company Limited	Fellow Group Entities	Investment advisory fees expenses	22,095,439	15,794,492	-	-
Premier Investments Fund Limited	Investment Manager	Investment management & performance fee income	215,987,337	167,042,858	12,909,734	17,423,608
		Interest income	-	423,910	-	-
INQ Holdings LLC	Investment Manager	Investment management income	42,955,754	95,013,693	855,357	1,203,043
Green Maidan A 2013 Trust	Investment Manager & other services	Investment management fees & service fee income	57,682,222	94,161,043	438,497	1,317,070
CPPIB Credit Investment INC	Investment Manager	Investment management income	-	66,733,005	-	34,541,465
Kotak Mahindra Mutual Fund	Fellow Group Entities	Referral/ trail fees income	3,574,909	4,948,391	656,312	1,088,755

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 Infinity Fund	Investment Manager & other services	Investment management, performance & service fee income	49,941,528	31,357,944	4,200,073	-
Kotak Advantage Fund X	Investment Manager	Investment management income	202,395	-	298,827	-
Kotak Advantage Fund XI	Investment Manager	Investment management income	226,953	-	45,557	-
Kotak Fixed Term Fund-XII	Investment Manager	Investment management income	4,922,187	-	5,474,309	-
Kotak India Advantage Fund II	Investment Manager	Investment management income	5,925,974	-	673,127	-
Kotak India Advantage Fund IV	Investment Manager	Investment management income	2,918,222	-	726,506	-
Kotak Fixed Term Fund-IX	Investment Manager	Investment management income	2,966,951	-	-	-
SGG Fund Services Limited	Administrator	Administration & payroll expense	644,569	992,858	332,001	-723,698
Directors remuneration included in "Employee cost"			20,672,617	14,634,257	-	-

During the year compensation to Key Managerial Personnel was ₹ 20,382,561 (Previous year ₹ 14,298,832).

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

In terms of our report of even date

For V . C. Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

A. N. Shah

Partner
Membership No.: 042649

Mumbai

Dated: 26 April, 2018

For and on Behalf of the Board of Directors

Mamode Izam Nathadkhan **Doomraj Sooneelall**
Director Director

Dated: 23 April, 2018



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

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