



# Kotak Securities Ltd.

ANNUAL REPORT 2006-2007

BOARD OF DIRECTORS: MR. UDAY KOTAK (C), MR. NARAYAN S.A. (MD), MR. ALROY LOBO (MD-INSTITUTIONAL EQUITIES), MR. C. JAYARAM (D), MS. FALGUNI NAYAR (D), MR. SHIVAJI DAM (D), MR. D. KANNAN, EXECUTIVE DIRECTOR & CHIEF OPERATING OFFICER

## Directors' Report

To the Members of  
Kotak Securities Limited

Your Directors are pleased to present the 13th Annual Report and the Audited Accounts for the year ended 31st March 2007.

### I. Financial Highlights

(Rupees in Lakhs except per share data)

	31st March, 2007	31st March, 2006
Gross Income	83,393.26	62,073.05
Profit/(Loss) before Depreciation and Tax	38,833.90	33,637.71
Depreciation	2,321.76	1,589.99
Profit/(Loss) before Tax	36,512.14	32,047.72
Provision for Tax	10,940.72	10,493.60
Profit/(Loss) After Tax	25,571.42	21,554.12
Transfer from Debenture Redemption Reserve	7,467.42	481.62
Balance brought forward from previous year	37,796.62	23,228.30
Amount available for appropriation	70,835.46	45,264.04
Transfer to Debenture Redemption Reserve	10,048.48	7,467.42
Profit/(Loss) carried forward to the Balance Sheet	60,786.98	37,796.62
Earnings per share on equity shares of Rs. 10 each (Basic and Diluted)	1,598.21	1,347.13

### II. Dividend

With healthy growth expected in volumes and market share, the Board proposes to employ its resources to augment capital requirements and does not recommend a dividend for the year 2006-2007.

### III. Operations

Where as the fiscal year 2005-2006 was an historic year for the Indian economy, as the benchmark BSE Sensex crossed the 10,000 mark on 7th February, 2006, the fiscal year 2006-07, saw the benchmark BSE Sensex crossing the 14,800 mark. Similarly the benchmark Nifty which had touched the years high of 3418 on 30th March, 2006 crossed the 4200 mark in fiscal year 2006-07. The average daily volumes in the Cash Segment grew from Rs. 95.04 billions in 2005-06 to Rs. 116.43 billions in 2006-07, an increase of 23%. On the derivative segment on NSE, the Average Daily volumes increased from Rs. 192.19 billions in 2005-2006 to Rs. 294.39 billions in 2006-2007, an increase of 53%.

The volume traded by your Company in the financial year (FY) 2006-07 as compared with the aggregate reported equity turnover of NSE and BSE for the said FY was in excess of 9%.

### Retail Segment

Your company continued its focus on increasing its market share in the retail segment. Towards this end, your company now has more than 800 outlets across the country comprising own as well as sub-broker outlets. The number of registered sub-brokers stood at 798 for NSE and 762 for BSE on 31st March, 2007. The customer base has increased by around 100,000 taking total number to more than 320,000.

### Online Trading Segment

The Online Trading Portal continues to do well. A number of new schemes and products for online customers were launched. The most significant being a flat brokerage product for clients with relatively smaller transaction size. The number of Online registered customers as on 31st March, 2007 was in excess of 115,000. The Online volumes continued to grow and even crossed the Rs. 1,000 Crore mark in fiscal year 2006-2007.

### Institutional Equities

The Company's institutional equities division has made steady growth during the year. This was achieved through a larger customer base & servicing of the Global and Domestic Asset Managers. The company strives to provide high quality fundamental equity research and globally compliant execution service to clients. Significant focus on Futures & Options segment contributed substantially to the revenue growth and market share.

### Primary Market

The buoyant capital markets saw the number of primary market issues increasing over the last year. Your company has participated in the distribution of 90 Public offer issues, mobilizing in excess of Rs. 24,600 crores in the retail segment itself.

### Portfolio Management Services

Your company had launched schemes to attract retail Portfolio Management Investors during Financial Year 2004-05. This segment continues to grow. Three of the Close-ended schemes launched in earlier years matured in the financial year 2006-07. Your company continues to focus on increasing product offerings and improving service standards. The total equity Assets Under Management (AUM) as on 31st March, 2007 was Rs. 2,300 Crores.

### IV. Awards and Recognitions

Your Company has been awarded the following awards during the financial year 2006-07.

- Best Equities House in India by The Asset Triple A Country Awards for 2006.
- Best Local Broker by Asia Money for 2006.
- The Most Customer Responsive Company for 2006 by Avaya Global Connect Survey.
- Best Provider of Portfolio Management – Equities Award by Euromoney for 2006.

## V. Future Outlook

Corporate India continues to provide good results for the year ended March 31, 2007. The economy has also registered a robust grow. Foreign Institutional Investor's interest in India saw a significant increase during FY 06-07. In the back drop of this scenario, Capital Markets are expected to be buoyant and active for the coming year. However, if the interest rate continues to increase as evidenced in FY 2006-07, it may affect the Corporate profitability.

The emerging scenario has also attracted other players who have announced their intention to enter this segment, which may lead to a pressure on realization rates. Regulatory compliance continues to become more stringent and challenging. As a market leader, your company is well positioned to take on the challenges that lie ahead, including that of increased competition.

## VI. Directors

Mr. C. Jayaram and Mr. Narayan S. A. retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

During the year, Ms. Jenny Finney and Mr. Vijay Karnani, who were directors nominated by Goldman Sachs (Mauritius) LLC (hereafter referred to as Goldman) stepped down as directors on 31st May, 2006 on sale of its stake by Goldman in the company. The Board places on record its appreciation of Ms. Jenny Finney's and Mr. Vijay Karnani's contribution to the Company.

Mr. D. Kannan, Chief Operating Officer was appointed as Additional Director on 11th August, 2006 and was subsequently appointed as Whole Time director designated as Executive Director and Chief Operating Officer for a period upto 31st March, 2007. Mr. D. Kannan has been reappointed as Executive Director and Chief Operating Officer for a term of two years w.e.f. 1st April, 2007.

Mr. Shivaji Dam, who is an Independent Director on the Board of Kotak Mahindra Bank Limited (KMBL), the holding Company, was nominated by KMBL to be appointed as Director on the Board of your Company in pursuance of requirement of Listing agreement, entered into with the stock exchanges by KMBL, for appointment of independent director of holding company on the board of material unlisted Indian subsidiary company. In this regard, Mr. Shivaji Dam was appointed as additional director w.e.f. 11th August, 2006.

## VII. Auditors

The Company's auditors, Messrs. Price Waterhouse, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

## VIII. Fixed Deposits

During the year under review, the Company did not accept any deposits from the public.

## IX. Statutory Information

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in the Annexure appended hereto and forms part of this Report.

The requirement of disclosure, in terms of Section 217 (1) (e) of the Companies Act, 1956, as regards the steps taken for conservation of energy and technology absorption is not applicable to the Company as the Company does not own any manufacturing facility.

Foreign exchange earnings and foreign exchange outgo during the year under review were Rs. 6.40 Lacs (Previous year Rs. 8.04 Lacs) and Rs. 353.77 Lacs (Previous year Rs. 60.75 Lacs) respectively.

## X. Directors' Responsibility Statement

Based on representations from the Management, the Directors state, in pursuance of Section 217 (2AA) of the Companies Act, 1956, that:

- (i) the Company has, in the preparation of the annual accounts for the year ended 31st March, 2007, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the financial year ended 31st March, 2007;
- (iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

## XI. Acknowledgements

The Directors wish to thank Securities and Exchange Board of India, the Stock Exchanges, the Depositories and the Company's Bankers for their support. The Directors commend the employees of the Company for their dedicated efforts that made these results achievable.

For and on behalf of the  
Board of Directors

UDAY S. KOTAK  
Chairman

Mumbai, 2nd May, 2007

## Auditors' Report

To the Members of  
Kotak Securities Limited

1. We have audited the attached Balance Sheet of Kotak Securities Limited (the Company), as at 31st March, 2007, the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by The Companies Act, 1956 of India (the Act), and give, a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
5. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
6. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
7. In our opinion, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
8. On the basis of written representations received from the Directors of the Company, as on 31st March, 2007, and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
9. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
  - (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) In our opinion, a substantial part of the Company's fixed assets have not been disposed off by the Company during the year.
  - (ii) (a) The securities held as stock in trade have been confirmed with the statement of holdings provided by the National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and other depository participants at the financial year end. In our opinion, the frequency of confirmation is reasonable.
  - (b) In our opinion, the procedures of confirmation of securities held as stock in trade followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the records of the Company relating to securities held as stock in trade, in our opinion, the Company has maintained proper records of stock in trade and no material discrepancies between the book records and the statement of holdings provided by NSDL, CDSL and other depository participants have been noticed.
  - (iii) (a) (i) The Company has placed fixed deposits with its holding company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year aggregates Rs. 11,419,000 ('000<sup>s</sup>) and the year end balance of such fixed deposits aggregates Rs. 6,624,617 ('000<sup>s</sup>).

## Auditors' Report (Contd.)

- (ii) In our opinion, the rate of interest and other terms and conditions of such fixed deposits placed are not prima facie prejudicial to the interest of the Company.
- (iii) In respect of aforesaid fixed deposits placed, the holding company is regular in repaying the principal amounts as stipulated and is also regular in the payment of interest.
- (b) (i) The Company has taken overdraft facility from its holding company covered in the register maintained under Section 301 of the Act. The facility available to the Company during the year aggregates Rs. 500,000 ('000<sup>o</sup>) and the year end book balance of such overdrafts aggregates Rs. 186,886 ('000<sup>o</sup>).
- (ii) In our opinion, the rate of interest and other terms and conditions of such overdrafts are not prima facie prejudicial to the interest of the Company.
- (iii) The repayment of principal amounts and payment of interest in case of the aforesaid overdrafts is as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business in respect of purchase and sale of securities held as stock in trade, purchase of fixed assets and sale of services. Further on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under Section 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register in pursuance of Section 301 of the Act and exceeding the value of Rs. 500 ('000<sup>o</sup>) in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or are considered to be of special nature for which no comparison of prices could be made as explained by the Management of the Company.
- (vi) The Company has not accepted any deposits from the public under the provisions of Section 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) (a) According to the books of account and records as produced and examined by us, in accordance with the generally accepted auditing practices in India and also Management representations, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us, as at 31st March, 2007 there are no dues which have not been deposited on account of any dispute in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess.
- (ix) The Company has neither accumulated losses as at 31st March, 2007 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- (x) According to the books of account and records of the Company, there has been no default in repayment of dues to any financial institution or bank or debenture holders during the year.
- (xi) In our opinion, the Company has maintained adequate documents and records in the cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The Company is dealing in securities for which proper records have been maintained of the transactions and timely entries have been made therein. Securities held as stock in trade by the Company are held in the name of the Company or in the name of its nominees except to the extent of the exemption granted under Section 49 of the Act.
- (xiii) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (xiv) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short term basis which have been used for a long term investment.
- (xv) The Company has not made any preferential allotment of shares to parties and companies listed in the register maintained under Section 301 of the Act during the year.

## Auditors' Report (Contd.)

(xvi) All debentures issued and outstanding at the year end are unsecured. Accordingly, the Company is not required to and has not created a charge in respect of these debentures.

(xvii) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management. Refer Note 22 on Schedule 20.

(xviii) The other clauses of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India are not applicable to the Company for the current year.

**K. H. Vachha**  
Partner  
Membership No. F30798

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Mumbai, 2nd May, 2007

## Balance Sheet as at 31st March, 2007

	Schedule	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds :</b>			
Capital	1	160.00	160.00
Reserves and Surplus	2	74,920.05	49,696.67
<b>Loan Funds :</b>			
Secured Loans	3	3,023.01	2,852.36
Unsecured Loans	4	57,701.94	30,400.00
<b>Total</b>		<b>135,805.00</b>	<b>83,109.03</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets :</b>			
Gross Block	5	10,061.76	7,474.96
Less : Depreciation/Amortisation		5,852.06	3,637.03
Net Block		4,209.70	3,837.93
<b>Investments</b>			
Deferred Tax (Refer Note 4 on Schedule 20)	6	34,062.25	8,813.77
Deferred Tax Asset		989.27	275.58
Deferred Tax Liability		—	137.22
		989.27	138.36
<b>Current Assets, Loans and Advances :</b>			
Stock In Trade	7	12,972.84	25,994.38
Sundry Debtors	8	37,843.31	62,843.92
Cash and Bank Balances	9	107,835.34	73,527.77
Other Current Assets	10	936.30	445.16
Loans and Advances	11	14,203.42	14,010.44
		173,791.21	176,821.67
<b>Less : Current Liabilities and Provisions</b>			
Liabilities	12	75,140.48	106,081.92
Provisions	13	2,106.95	420.78
		77,247.43	106,502.70
<b>Net Current Assets</b>		<b>96,543.78</b>	<b>70,318.97</b>
<b>Total</b>		<b>135,805.00</b>	<b>83,109.03</b>
Notes to the Financial Statements	20		
Schedules referred to above form an integral part of the Balance Sheet			

This is the Balance Sheet referred to in our report of even date

**K. H. VACHHA**

Partner

Membership No : F30798

For and on behalf of

**PRICE WATERHOUSE**

Chartered Accountants

Mumbai, Dated : 2nd May, 2007

For and on behalf of the Board of Directors

**Sandeep Chordia**  
Company Secretary

**Uday S. Kotak**  
Chairman

**Narayan S. A.**  
Managing Director

**Alroy Lobo**  
Managing Director-Institutional Equities

## Profit and Loss Account for the year ended 31st March, 2007

	Schedule	31st March, 2007 Rs. in Lacs	31st March, 2006 Rs. in Lacs
<b>INCOME</b>			
Income from Services	14	61,882.45	52,056.76
Interest Income	15	12,677.87	4,903.57
Other Income	16	8,832.94	5,112.72
<b>Total Income</b>		<b>83,393.26</b>	<b>62,073.05</b>
<b>EXPENDITURE</b>			
Personnel	17	16,826.84	11,950.54
Interest and Other Finance Charges	18	6,196.94	867.77
Other Expenses	19	21,535.58	15,617.03
<b>Total Expenditure</b>		<b>44,559.36</b>	<b>28,435.34</b>
Profit Before Depreciation/Amortisation and Taxation		38,833.90	33,637.71
Depreciation/Amortisation		2,321.76	1,589.99
<b>Profit Before Taxation</b>		<b>36,512.14</b>	<b>32,047.72</b>
Provision For Taxation			
Current Tax [(Including short provision for taxation relating to earlier years Rs. 23.23 Lacs (net) (Previous Year Rs. 24.38 Lacs (Net))		11,431.24	10,463.50
Deferred Tax (Refer Note 4 on Schedule 20)		(674.32)	(139.70)
Fringe Benefits Tax		183.80	169.80
<b>Profit After Taxation</b>		<b>25,571.42</b>	<b>21,554.12</b>
Transfer from Debenture Redemption Reserve		7,467.42	481.62
Balance Brought Forward		37,796.62	23,228.30
		<b>70,835.46</b>	<b>45,264.04</b>
<b>APPROPRIATIONS</b>			
Transfer to Debenture Redemption Reserve		10,048.48	7,467.42
Balance Carried Forward		60,786.98	37,796.62
		<b>70,835.46</b>	<b>45,264.04</b>
<b>Earnings per Share on Equity Shares of Rs. 10 each</b>			
Basic and Diluted (In Rupees)		1,598.21	1,347.13
Notes to the Financial Statements	20		
Schedules referred to above form an integral part of the Profit and Loss Account			

This is the Profit and Loss Account referred to in our report of even date

**K. H. VACHHA**

Partner

Membership No : F30798

For and on behalf of

**PRICE WATERHOUSE**

Chartered Accountants

Mumbai, Dated : 2nd May, 2007

For and on behalf of the Board of Directors

**Sandeep Chordia**  
Company Secretary

**Uday S. Kotak**  
Chairman

**Narayan S. A.**  
Managing Director

**Alroy Lobo**  
Managing Director - Institutional Equities

## Cash Flow Statement for the year ended 31st March, 2007

		Rs in lacs	
	Schedule	31st March, 2007	31st March, 2006
<b>Cash flow from operating activities</b>			
Net profit before taxation		36,512.14	32,047.72
Add adjustments for :			
Depreciation/amortisation		2,321.76	1,589.99
Interest and other finance charges		6,196.94	867.77
Interest income		(12,677.87)	(4,903.57)
Operating interest income		4,202.64	2,374.20
Dividend income		(1,022.68)	(591.11)
Dividend income on stock in trade		230.14	359.22
(Profit)/loss on sale of fixed assets (net)		(8.73)	(7.49)
(Profit)/loss on sale of investments (net)		(0.18)	(23.32)
<b>Operating profit before working capital changes</b>		<b>35,754.16</b>	<b>31,713.41</b>
<b>Adjustments for changes in working capital :</b>			
– Trade and other receivables		27,246.06	(46,750.36)
– Stock in trade		13,021.54	(15,120.20)
– Trade and other payables		(30,235.09)	59,148.18
<b>Cash generated from operations</b>		<b>45,786.67</b>	<b>28,991.03</b>
– Taxes paid including fringe benefits tax (net of refunds)		(11,255.97)	(10,668.20)
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>34,530.70</b>	<b>18,322.83</b>
<b>Cash flow from investing activities:</b>			
Purchase of fixed assets		(5,528.09)	(3,167.47)
Proceeds from sale of fixed assets		33.25	34.14
Sale of investments		2,717,664.75	1,089,749.14
Purchase of investments		(2,742,913.05)	(1,098,277.04)
Interest received		7,984.09	2,453.45
Dividend on current investments		792.54	231.89
<b>Net cash (used in)/from investing activities</b>	<b>(B)</b>	<b>(21,966.51)</b>	<b>(8,975.89)</b>

## Cash Flow Statement for the year ended 31st March, 2007 (Contd.)

	Schedule	31st March, 2007	31st March, 2006
Rs in lacs			
<b>Cash flow from financing activities:</b>			
Proceeds/(repayments) from/of borrowings (net)		27,472.59	29,460.07
Interest and other finance charges paid		(5,729.21)	(676.15)
<b>Net cash from/(used in) financing activities</b>	<b>(C)</b>	<b>21,743.38</b>	<b>28,783.92</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A)+(B)+(C)</b>	<b>34,307.57</b>	<b>38,130.86</b>
Cash and cash equivalents at the beginning of the year		73,527.77	35,396.91
Cash and cash equivalents at the end of the year		107,835.34	73,527.77
Cash and cash equivalents comprise of:			
Cash and cheques in hand		20.45	20.09
Balances with scheduled banks		107,814.89	73,507.68
<b>Total</b>		<b>107,835.34</b>	<b>73,527.77</b>

Notes to the Financial Statements

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- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Balances with scheduled banks include fixed deposits of Rs. 75,493.10 Lacs (Previous Year Rs. 43,741.97 Lacs) which is under the lien of National Securities Clearing Corporation Limited, Rs. 10,200.30 Lacs (Previous Year Rs. 5,700 Lacs) which is under the lien of The Bombay Stock Exchange Limited and Rs. 0.95 lac (Previous Year Rs. 0.95 lac) as collateral towards lifting of shares for rectification from custodians.

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

**K. H. VACHHA**

Partner

Membership No : F30798

For and on behalf of

**PRICE WATERHOUSE**

Chartered Accountants

Mumbai, Dated : 2nd May, 2007

For and on behalf of the Board of Directors

**Sandeep Chordia**  
Company Secretary

**Uday S. Kotak**  
Chairman

**Narayan S. A.**  
Managing Director

**Alroy Lobo**  
Managing Director-Institutional Equities

## Schedule Forming Part of Balance Sheet

	31st March, 2007 Rs. in Lacs	31st March, 2006 Rs. in Lacs
<b>Schedule 1 - Capital</b>		
<b>Authorised</b>		
1,000,000 * (Previous Year 400,000) Preference Shares of Rs. 100 each	1,000.00	400.00
6,000,000 Equity Shares of Rs. 10 each	600.00	600.00
	<b>1,600.00</b>	<b>1,000.00</b>
* During the year, the authorised share capital of the Company has been increased by creation of 600,000 Preference Shares of Rs. 100 each pursuant to the resolution passed at the annual general meeting held on May 5, 2006		
<b>Issued and Subscribed</b>		
1,600,000 Equity Shares of Rs. 10 each fully paid up	160.00	160.00
(Of the above 1,199,990 shares are held by Kotak Mahindra Bank Limited, the Holding Company and its nominees)		
<b>Total</b>	<b>160.00</b>	<b>160.00</b>
<b>Schedule 2 - Reserves And Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	1,885.00	1,885.00
<b>General Reserve</b>		
Balance as per last Balance Sheet	2,547.63	2,547.63
Less: Leave Encashment and Gratuity Liability (Net of deferred tax asset of Rs. 176.59 Lacs) of Earlier Years (Refer Note 5 (a))	348.04	—
	<b>2,199.59</b>	<b>2,547.63</b>
<b>Debenture Redemption Reserve</b>		
Balance as per last Balance Sheet	7,467.42	481.62
Transfer to Profit and Loss Account	7,467.42	481.62
	<b>—</b>	<b>—</b>
Transfer from Profit and Loss Account	10,048.48	7,467.42
	<b>10,048.48</b>	<b>7,467.42</b>
<b>Profit and Loss Account</b>	<b>60,786.98</b>	<b>37,796.62</b>
<b>Total</b>	<b>74,920.05</b>	<b>49,696.67</b>
<b>Schedule 3 - Secured Loans</b>		
Loan and Overdraft From Banks (Secured by a pari passu first charge on the stock in trade and business receivables)	3,023.01	2,580.37
Other Loans (Secured against hypothecation of vehicles)	—	271.99
<b>Total</b>	<b>3,023.01</b>	<b>2,852.36</b>

## Schedule Forming Part of Balance Sheet (Contd.)

	31st March, 2007 Rs. in Lacs	31st March, 2006 Rs. in Lacs
<b>Schedule 4 - Unsecured Loans</b>		
Nil, (Previous Year -25) 7.50% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 21st April, 2006. (Convertible into 25,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,500.00
Nil, (Previous Year -20) 8.80% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 5th May, 2006. (Convertible into 20,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,000.00
Nil, (Previous Year -20) 8.35% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 17th May, 2006. (Convertible into 20,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,000.00
Nil, (Previous Year -20) 8.40% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 24th May, 2006. (Convertible into 20,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,000.00
Nil, (Previous Year -25) 8.85% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 5th June, 2006. (Convertible into 25,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,500.00
Nil, (Previous Year -20) 8.85% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 13th June, 2006. (Convertible into 20,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,000.00
Nil, (Previous Year -24) 8.85% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 19th June, 2006. (Convertible into 24,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	2,400.00
Nil, (Previous Year -15) 8.85% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 27th June, 2006. (Convertible into 15,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	1,500.00
Nil, (Previous Year -15) 8.85% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 6th September, 2006. (Convertible into 15,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	1,500.00
Nil, (Previous Year -50) 8.00% Optionally Convertible Debentures of Rs. 10,000,000 each. Redeemed on 2nd February, 2007. (Convertible into 50,000, 5% Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	—	5,000.00

## Schedule Forming Part of Balance Sheet

	31st March, 2007 Rs. in Lacs	31st March, 2006 Rs. in Lacs
<b>Schedule 4 - Unsecured Loans (Contd.)</b>		
15, (Previous Year -15) 8.50% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of redemption 16th April, 2007. (Convertible into 15,000, 5% Redeemable Non Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share.)	1,500.00	1,500.00
30, (Previous Year -Nil) 8.80% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 09th April, 2007. (Convertible into 30,000 Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 9,900 per share)	3,000.00	—
2, (Previous Year -Nil) 8.20% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 09th April, 2007. (Convertible into 400 Redeemable Non-Convertible Preference Shares of Rs 100 each at a premium of Rs. 49,900 per share)	200.00	—
17, (Previous Year -Nil) 8.20% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 09th April, 2007. (Convertible into 3,400 Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 49,900 per share)	1,700.00	—
6, (Previous Year -Nil) 8.20% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 09th April, 2007. (Convertible into 1,200 Redeemable Non-Convertible Preference Shares of Rs 100 each at a premium of Rs. 49,900 per share)	600.00	—
25, (Previous Year -Nil) 10% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 29th May, 2007. (Convertible into 5,000 Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 49,900 per share)	2,500.00	—
25, (Previous Year -Nil) 10% Optionally Convertible Debentures of Rs. 10,000,000 each. Date of Redemption 11th May, 2007. (Convertible into 5,000 Redeemable Non-Convertible Preference Shares of Rs. 100 each at a premium of Rs. 49,900 per share)	2,500.00	—
<b>Debenture Application Money - Pending Allotment</b>	—	5,500.00
<b>Inter Corporate Deposit</b>		
Commercial Paper	47,000.00	
Less : Discount Not Written Off	1,298.06	
Maximum outstanding during the year Rs. 59,500 Lacs (Previous Year Rs. Nil)	45,701.94	—
<b>Total</b>	<b>57,701.94</b>	<b>30,400.00</b>

## Schedule Forming Part of Balance Sheet (Contd.)

### Schedule 5 : Fixed Assets

DESCRIPTIONS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1st April, 2006	Additions for the year	Deductions Adjustments for the year	As at 31st March, 2007	As at 1st April, 2006	For the year	On Deductions	As at 31st March, 2007	As at 31st March, 2006
<b>TANGIBLE</b>									
Leasehold Improvements	1,109.52	600.34	—	1,709.86	452.59	601.36	—	1,053.95	655.91
Premises <sup>a</sup>	4.00	—	—	4.00	0.53	0.07	—	0.60	3.40
Furniture and Fixtures	169.94	71.71	2.09	239.56	119.57	56.43	2.09	173.91	65.65
Computers	3,207.32	828.34	66.82	3,968.84	1,922.69	816.74	66.72	2,672.71	1,296.13
Office Equipments <sup>c</sup>	1,810.19	533.36	3.78	2,339.77	716.55	379.39	2.55	1,093.39	1,246.38
Motors Vehicles	445.51	108.55	58.56	495.50	142.34	115.26	35.37	222.23	273.27
<b>INTANGIBLE</b>									
Software <sup>b</sup>	728.48	575.75	—	1,304.23	282.76	352.51	—	635.27	668.96
<b>TOTAL</b>	7,474.96	2,718.05	131.25	10,061.76	3,637.03	2,321.76	106.73	5,852.06	4,209.70
Previous Year	4,884.57	3,130.39	540.00	7,474.96	2,297.84	1,589.99	250.80	3,637.03	3,837.93

<sup>a</sup> Represents value of shares in the co-operative society, registered in the name of the Company.

<sup>b</sup> Includes asset given on operating lease aggregating to Rs. 166.02 Lacs (Previous Year Rs. 160.42 Lacs). The depreciation for the year is Rs. 50.60 Lacs (Previous Year Rs. 33.30 Lacs) and the written down value of the asset as on 31st March, 2007 is Rs. 60.39 Lacs (Previous Year Rs. 105.39 Lacs).

<sup>c</sup> Includes assets aggregating to Rs. 9.66 Lacs (54% of original cost) jointly owned with other enterprises. The depreciation for the year is Rs. 0.32 Lacs (Previous Year Rs. 1.93 Lacs) and the written down value of the assets as on 31st Mar, 2007 is Rs. Nil (Previous Year Rs. 0.32 Lacs). Includes assets given on operating lease aggregating to Rs. 393.51 Lacs (Previous Year Rs. 355.30 Lacs). The depreciation for the year is Rs. 75.07 Lacs (Previous Year Rs. 57.78 Lacs) and the written down value of the assets as on 31st March, 2007 is Rs. 213.75 Lacs (Previous Year Rs. 250.61 Lacs).

## Schedule Forming Part of Balance Sheet (Contd.)

Particulars	Face Value Rs.	31st March 2007 Quantity	31st March 2006 Quantity	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 6 - Investments</b>					
<b>Long Term Investments (At cost) (Unquoted, fully paid up)</b>					
<b>Trade</b>					
Equity Shares of Bombay Stock Exchange Limited	1	20,000	20,000	262.75	0.20
Add: Transfer of written down value of the Membership Cards of the Bombay Stock Exchange Limited				—	262.55
				262.75	262.75
<b>Non Trade</b>					
Equity shares of Kotak Mahindra Capital Company Limited	10	990,015	—	21,000.00	—
Equity shares of Kotak Mahindra Prime Limited	10	1,188,400	—	12,549.50	—
Equity shares of Kotak Forex Brokerage Limited	10	750,000	—	75.00	—
8.5% Unsecured Fully Convertible Debentures of Kotak Forex Brokerage Limited, convertible into equity shares of Rs.10 each on 26th March 2012 if call option not exercised on 26th March 2010	100,000	175	—	175.00	—
	(A)			34,062.25	262.75
<b>Current Investments (Other than Trade)</b>					
<b>(At cost or fair value, whichever is lower)</b>					
<b>In Units of Mutual Fund</b>					
<b>(Unquoted, fully paid up)</b>					
Kotak Mahindra Mutual Fund - Kotak Liquid Institutional Premium Daily Dividend	10	—	53,573,494	—	6,551.02
Principal Mutual Fund- Liquid Option Institutional Premium Plan – Dividend Reinvestment Daily	10	—	9,999,300	—	1,000.00
HSBC Mutual Fund Institutional Plus Daily Dividend (Refer Note 8 on Schedule 20)	10	—	9,994,403	—	1,000.00
	(B)	—		—	8,551.02
<b>TOTAL</b>	<b>(A+B)</b>			<b>34,062.25</b>	<b>8,813.77</b>

## Schedule Forming Part of Balance Sheet (Contd.)

	Face Value	31st March 2007 Quantity	31st March 2006 Quantity	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 7 - Stock In Trade</b>					
<b>(At cost or market value whichever is lower)</b>					
<b>Equity Shares</b>					
ABG Shipyard Limited	10	2,000	—	6.71	—
Andhra Bank Limited	10	—	230,000	—	185.73
Allahabad Bank Limited	10	7,350	227,850	5.34	180.12
Alok Textiles Limited	10	—	26,800	—	19.75
Aurobindo Pharma Limited	5	—	17,500	—	117.26
Arvind Mills Limited	10	8,600	18,050	3.74	17.79
ABB Limited	10	—	50,034	—	1,465.02
ACC Limited	10	216,375	37,693	1,590.90	294.34
Bharat Forge & Press Industries Limited	2	—	6,000	—	25.12
Bharat Petroleum Corporation Limited	10	—	358	—	1.51
Bharti Tele-ventures Limited	10	—	648	—	2.61
Bongaigaon Refinery & Petrochemicals Limited	10	—	74,250	—	48.75
Bajaj Auto Limited	10	3,700	1,158	89.82	31.06
Balkrishana Industries Limited	10	152	—	0.68	—
Bank of Baroda	10	714,000	389,200	1,535.46	897.30
Bank of India	10	104,500	26,600	173.69	34.90
Bayer CropScience Limited	10	—	13,855	—	28.63
Bharat Electronics Limited	10	—	83,050	—	1,093.98
Bharat Heavy Electricals Limited	10	—	176	—	3.87
Colgate-Palmolive (India) Limited	10	—	44,100	—	181.40
Century Textiles & Industries Limited	10	7,650	11,900	40.52	52.53
Cipla Limited	2	—	558	—	3.63
Cummins India Limited	2	—	336,300	—	761.54
Dabur India Limited	1	—	4,098	—	5.08
Divis's Laboratories Limited	10	—	13,250	—	207.95
Dr. Reddy's Laboratories Limited	5	8	536	0.06	7.62
Federal Bank Limited	10	—	41,600	—	83.88
GAIL (India) Limited	10	—	1,390	—	4.42
Global Broadcast News Limited	10	2,000	—	10.69	—
Glaxo SmithKline Pharmaceuticals Limited	10	—	25,619	—	313.35
GMR Infrastructure Limited	10	87,000	—	313.46	—
Grasim Industries Limited	10	—	154	—	3.14
Great Eastern Shipping Company Limited	10	2,400	—	4.73	—
Gujarat Ambuja Cements Limited	2	—	711,278	—	711.60
Gujarat Gas Company Limited	10	5	—	0.06	—
Gujarat Narmada Fertilisers Limited	10	—	539,850	—	622.72
Hero Honda Motors Limited	2	—	98	—	0.87
HCL Technologies Limited	2	—	260	—	1.66

## Schedule Forming Part of Balance Sheet (Contd.)

	Face Value	31st March 2007 Quantity	31st March 2006 Quantity	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 7 - Stock In Trade (Contd.)</b>					
HDFC Bank Limited	10	—	180	—	1.39
Housing Development Finance Corporation Limited	10	—	216	—	2.89
Hindalco Industries Limited	1	1,352	392,689	0.80	715.45
Hindustan Lever Limited	1	20	6,914	0.04	18.09
Hindustan Petroleum Corporation Limited	10	—	574	—	1.84
HT Media Limited	2	4,528	—	8.07	—
ICICI BTank Limited	10	—	896	—	5.28
India Cements Limited	10	62,350	574,200	100.98	858.47
Indian Hotels Company Limited (Previous Year Face Value Rs.10)	1	—	37,100	—	418.60
Indian Overseas Bank	10	—	206,500	—	199.79
Indian Petrochemicals Corporation Limited	10	—	32,469	—	79.79
Industrial Development Bank Of India	10	364,800	794,400	283.08	622.02
Infrastructure Development Finance Company Limited	10	—	144,501	—	96.24
Infosys Technologies Limited	5	300	30,989	5.98	905.02
ITC Limited	1	—	3,458	—	6.07
IVRCL Infrastructures & Projects Limited	2	—	160,000	—	444.80
Jammu and Kashmir Bank Limited	10	—	1,200	—	5.41
Jet Airways (India) Limited.	10	—	190	—	1.85
Jindal Saw Limited	10	4,500	—	21.87	—
Jindal Steel & Power Limited	5	—	10,300	—	161.61
Jindal Stainless Limited	2	—	2,170	—	2.48
Karnataka Bank Limited	10	—	15,000	—	15.02
KEC International Limited	10	2,920	—	15.04	—
LIC Housing Finance Limited	10	—	240,550	—	456.44
Mahindra & Mahindra Limited	10	—	1,776	—	11.14
Mahanagar Telephone Nigam Limited	10	132,800	252	194.88	0.46
Mahindra Gesco Developers Limited	10	3,000	—	17.07	—
Maruti Udyog Limited	5	—	23,139	—	195.38
Matrix Laboratories Limited	2	—	133,750	—	309.51
Mphasis BFL Limited	10	5,000	28,800	14.14	57.84
Neyveli Lignite Corporation Limited	10	—	59,000	—	44.16
Narmada Chematur Petrochemicals Limited	10	70,800	—	21.35	—
Navin Flourite Limited	10	491	—	1.44	—
National Aluminium Company Limited	10	—	946	—	2.78
New Delhi Television Limited	4	—	284,900	—	690.99
National Thermal Power Corporation Limited	10	—	500	—	0.67
NIIT Limited	10	2,500	—	10.98	—
Oil & Natural Gas Corporation Limited	10	—	168	—	2.09
Oriental Bank of Commerce	10	—	17,864	—	41.93
Orchid Chemicals & Pharmaceuticals Limited	10	—	1,050	—	3.90
Patni Computers Limited	2	—	18,850	—	84.64
Praj Industries Limited	2	23,100	—	50.51	—
Punj Lloyd Limited (Previous Year Face Value Rs. 10)	2	—	138,900	—	1,479.45
Polaris Software Lab Limited	5	—	151,200	—	177.06

## Schedule Forming Part of Balance Sheet (Contd.)

	Face Value	31st March 2007 Quantity	31st March 2006 Quantity	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 7 - Stock In Trade (Contd.)</b>					
Punjab National Bank	10	69,600	22,050	316.37	103.72
Ranbaxy Laboratories Limited	5	—	45,528	—	196.26
Reliance Energy Limited	10	—	318	—	1.90
Reliance Energy Ventures Limited	10	—	2,038,156	—	884.56
Reliance Capital Limited	10	138,050	382,800	905.45	1,936.81
Reliance Industries Limited	10	13,650	99,058	185.05	787.84
Steel Authority of India Limited	10	—	10,000	—	8.32
Satyam Computer Services Limited	2	—	298	—	2.46
Sesa Goa Limited	10	60,900	—	1,037.40	—
Shipping Corporation of India Limited	10	—	422,696	—	708.49
SRF Limited	10	—	175,500	—	481.50
State Bank of India	10	482,499	35,724	4,798.21	345.63
Sterlite Industries (India) Limited (Previous Year Face Value Rs 5)	2	—	3,635	—	50.76
Strides Arcolab Limited	10	—	42,500	—	125.98
Sun Pharmaceuticals Industries Limited	5	—	478	—	4.11
Suzlon Energy Limited	10	—	73,200	—	952.75
Tanla Solutions Limited	2	5,000	—	17.43	—
Tata Chemicals Limited	10	—	103,190	—	263.04
Tata Consultancy Services Limited	1	—	88	—	1.15
Tata Tea Limited	10	—	94,329	—	817.69
Tata Steel Limited	10	10,000	203,362	43.83	1,073.92
Tata Motors Limited	10	100	10,866	0.73	98.13
Tata Power Company Limited	10	—	976	—	5.66
Tech Mahindra Limited	10	3,000	—	42.81	—
Television Eighteen India Limited	5	2,000	—	11.76	—
TV Today Limited	5	5,000	—	6.09	—
Titan Industries Limited	10	—	141,384	—	1,178.34
Union Bank of India	10	1,043,700	—	1,085.45	—
Videsh Sanchar Nigam Limited	10	—	3,040	—	14.28
Vijaya Bank	10	—	62,100	—	32.51
Wockhardt Limited	5	—	76,800	—	388.72
<b>Subtotal for equity shares</b>		<b>3,667,700</b>	<b>10,497,880</b>	<b>12,972.67</b>	<b>25,994.21</b>
<b>Exchange Traded Fund</b>					
S&P CNX Nifty UTI	10	91	91	0.17	0.17
<b>Subtotal for exchange traded fund</b>		<b>91</b>	<b>91</b>	<b>0.17</b>	<b>0.17</b>
<b>Total</b>		<b>3,667,791</b>	<b>10,497,971</b>	<b>12,972.84</b>	<b>25,994.38</b>

### Aggregate Value of Stock-In-Trade

– At Book Value	12,972.84	25,994.38
– At Market Value	13,048.24	26,791.38

Refer Note 6 and 9(b) and 9(c) on Schedule 20

## Schedules forming part of Balance Sheet (Contd.)

	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 8 - Sundry Debtors</b>		
<b>Sundry Debtors * :</b>		
Considered Good		
Over Six Months	168.57	155.17
Others **	37,674.74	62,688.75
	<b>37,843.31</b>	<b>62,843.92</b>
Considered Doubtful		
Over Six Months	298.54	132.99
Others	234.50	264.93
	<b>533.04</b>	<b>397.92</b>
	<b>38,376.35</b>	<b>63,241.84</b>
Less : Provision for Doubtful Debts	533.04	397.92
<b>Total</b>	<b>37,843.31</b>	<b>62,843.92</b>

(Refer Note 11 on Schedule 20)

\* Sundry debtors include secured debtors Rs. 34,744.39 Lacs  
(Previous Year Rs. 60,556.76 Lacs)

\*\* Maximum amount outstanding during the year, from Directors Rs. 6.22 Lacs  
(Previous Year Rs. 3.59 Lacs)

## Schedule 9 - Cash and Bank Balances

Cash on Hand	20.45	20.09
Balances with Scheduled Banks in :		
Current Accounts	539.18	1,200.27
Fixed Deposit Accounts (Refer Note 12 on Schedule 20)	107,275.71	72,307.41
<b>Total</b>	<b>107,835.34</b>	<b>73,527.77</b>

## Schedule 10 - Other Current Assets

Interest Accrued on Fixed Deposits	936.30	445.16
<b>Total</b>	<b>936.30</b>	<b>445.16</b>

## Schedules Forming Part of Balance Sheet (Contd.)

	31st March 2007		31st March 2006
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>Schedule 11 - Loans And Advances</b>			
<b>(Unsecured, unless otherwise stated, considered good)</b>			
Loans		15.98	19.13
Advances Recoverable in Cash or Kind or for Value to be Received		497.35	333.24
Capital Advances		3,026.80	229.30
Deposits with Exchanges/Depositories		150.10	1,230.82
Deposits -Others		869.84	567.67
Initial Margin - Equity Derivative Instrument (Refer Note 1 (I) (a) and 1 (J) (a) on Schedule 20)		3,441.45	5,745.31
Margin Deposits - Equity Derivative Instrument (Refer Note 1 (I) (a) and 1 (J) (a) on Schedule 20)		5,011.58	5,405.18
Mark-to-Market Margin - Equity Index/Stock Futures (Refer Note 1 (I) (b) on Schedule 20)	91.91		705.40
Less: Provision for Loss (Refer Note 1 (I) (c) on Schedule 20)	91.91	—	705.40
Equity Index/Stock Option Premium (Refer Note 1 (J) (b) on Schedule 20)	1,169.87		121.65
Less: Provision for Loss (Refer Note 1 (J) (c) on Schedule 20)	64.16	1,105.71	0.93
Advance Tax (Net of Provision for Current Taxation and Fringe Benefits Tax - Rs. 39,361.37 Lacs (Previous Year 27,467.45 Lacs))		84.61	359.07
<b>Total</b>		<b>14,203.42</b>	<b>14,010.44</b>
<b>Schedule 12 - Liabilities</b>			
Sundry Creditors (includes Trade Payables) (other than small scale industrial undertakings)*		70,395.47	103,479.03
Income Received In Advance		556.81	129.89
Book Overdraft from Banks		23.05	6.39
Security Deposits		1,327.51	979.88
Other Liabilities		221.94	155.85
Interest Accrued But Not Due		674.46	206.73
Equity Index/Stock Option Premium (Refer Note 1 (J) (b) on Schedule 20)	1,658.22		872.47
Add: Provision for Loss (Refer Note 1 (J) (c) on Schedule 20)	—	1,658.22	65.56
Mark-to-Market Margin - Equity Index/Stock Futures (Refer Note 1 (I) (b) on Schedule 20)		283.02	186.12
<b>Total</b>		<b>75,140.48</b>	<b>106,081.92</b>
* The above information regarding small scale industrial undertakings and micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.			
<b>Schedule 13 - Provisions</b>			
Leave Encashment (Refer Notes 5(a) on Schedule 20)		782.40	—
Gratuity (Refer Notes 5(a) and (b) on Schedule 20)		278.03	167.95
Contingencies (Refer Note 13 on Schedule 20)		1,046.52	252.83
<b>Total</b>		<b>2,106.95</b>	<b>420.78</b>

## Schedules Forming Part of the Profit and Loss Account

	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 14 - Income From Services</b>		
Income from Brokerage - Gross	56,137.98	48,589.28
{Tax Deducted at Source Rs. 170.03 Lacs (Previous Year Rs. 196.03 Lacs)}		
Recovery on Account of Expenses	—	2.45
	<u>56,137.98</u>	<u>48,591.73</u>
Less : Sub Brokerage/Referral Fees and Expenses	<u>5,157.10</u>	<u>4,879.42</u>
	50,980.88	43,712.31
Fee Income - Gross {Refer Note 14 (a) on Schedule 20}	11,049.24	8,436.20
{Tax Deducted at Source Rs. 72.87 Lacs (Previous Year Rs. 21.86 Lacs)}		
Less : Referral Fees	147.67	91.75
	<u>10,901.57</u>	<u>8,344.45</u>
<b>Total</b>	<b>61,882.45</b>	<b>52,056.76</b>
<b>Schedule 15 - Interest Income</b>		
Interest on Bank Deposits	8,471.81	2,525.68
{Tax Deducted at Source Rs. 1,907.29 Lacs (Previous Year Rs. 522.57 Lacs)}		
Interest on Staff Loans	1.94	1.47
Interest on Income Tax Refund	1.48	2.22
Interest - Others {Refer Note 14 (b) on Schedule 20}	4,202.64	2,374.20
{Tax Deducted at Source Rs. 34.64 Lacs (Previous Year Rs. 14.73 Lacs)}		
<b>Total</b>	<b>12,677.87</b>	<b>4,903.57</b>
<b>Schedule 16 - Other Income</b>		
Dividend Income (Refer Note 15 on Schedule 20)	1,022.68	591.11
Profit on Sale of Investments (net) (Refer Note 16 on Schedule 20)	0.18	23.32
Profit on Trading in Securities (net) (Refer Note 9(a) on Schedule 20)	6,657.90	3,596.18
Liabilities Written Back As No Longer Required (Refer Note 17 on Schedule 20)	218.81	283.27
Profit on Sale of Fixed Assets (net)	8.73	7.49
Miscellaneous Income	924.64	611.35
<b>Total</b>	<b>8,832.94</b>	<b>5,112.72</b>
<b>Schedule 17 - Personnel</b>		
Salaries, Allowances and Bonus (Refer Note 18 on Schedule 20)	15,935.88	11,591.72
Contribution to Provident and Other Funds	431.40	287.85
Leave Encashment	287.53	—
Gratuity	101.23	61.74
Staff Welfare	298.04	241.36
<b>Total</b>	<u>17,054.08</u>	<u>12,182.67</u>
Less : Recovery of Expenses (Refer Note 19 on Schedule 20)	<u>227.24</u>	<u>232.13</u>
<b>Total</b>	<b>16,826.84</b>	<b>11,950.54</b>

## Schedules Forming Part of the Profit and Loss Account (Contd.)

	31st March 2007 Rs. in Lacs	31st March 2006 Rs. in Lacs
<b>Schedule 18 - Interest And Other Finance Charges</b>		
Interest on Inter Corporate Deposits	161.80	27.33
Interest on Debentures	3,384.48	549.87
Interest/Discount on Term Loan/Other Fixed Loans	2,146.92	17.46
Interest on Bank Overdraft	15.73	42.16
Bank Guarantee Commission and Other Charges	229.85	189.77
Interest-Other	258.16	41.18
<b>Total</b>	<b>6,196.94</b>	<b>867.77</b>
<b>Schedule 19 - Other Expenses</b>		
Travelling, Conveyance and Motor Car	986.63	780.26
Professional and Legal	2,531.49	1,913.26
Auditors' Remuneration		
Audit Fees	32.00	28.00
Tax Audit Fees	3.00	2.00
In Other Capacity	0.40	1.00
Out of Pocket Expenses	0.40	0.64
Provision for Doubtful Debts	135.12	217.39
Provision for Contingencies	793.69	—
Repairs and Maintenance - Others	506.22	390.89
Office	203.16	165.68
Communication	1,935.44	1,490.98
Printing and Stationery	736.16	568.40
Stock Exchanges Expenses	75.49	49.20
Electricity	531.04	359.91
Membership and Subscription	273.43	178.90
Rent	1,565.71	1,145.61
Rates and Taxes	411.30	354.63
Director's Sitting Fees	0.20	—
Advertising, Business Promotion and Entertainment	1,012.44	737.73
Securities Transaction Tax on Proprietary Trades	1,603.39	774.06
Bad Debts Written Off	67.86	40.46
Service Charges	482.80	311.64
Common Establishment Expenses-Reimbursement	3,257.80	2,471.89
Depository Charges	393.82	262.45
Stamp/Turnover/Transaction Charges (net of recovery)	2,978.00	2,920.25
Insurance	70.38	39.40
Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlements Cost (net) (Refer Note 22 on Schedule 20)	686.20	243.02
Miscellaneous	469.11	322.73
<b>Total</b>	<b>21,742.68</b>	<b>15,770.38</b>
Less : Recovery of Expenses (Refer Note 19 on Schedule 20)	207.10	153.35
<b>Total</b>	<b>21,535.58</b>	<b>15,617.03</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account

### SCHEDULE 20 – NOTES TO THE FINANCIAL STATEMENTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES:

##### A. ACCOUNTING CONVENTION

The financial statements are prepared under historical cost convention on an accrual basis of accounting.

##### B. REVENUE RECOGNITION

1. Placement and other fee based income are accounted for on the basis of the progress of the assignment.
2. Brokerage Income  
on fixed deposit is accounted on completion of the transaction.  
on primary market subscription – mobilisation is accounted on allotment after intimation received by the Company.  
on secondary market transaction is recognised net of service tax on the date of the transaction.
3. Underwriting commission is accounted on allotment.
4. Incentive on primary market subscription – mobilisation is accounted on the basis of intimation received by the Company.
5. Depository Fees  
Transaction fees are recognised on completion of the transaction.  
Account maintenance charges are recognised on time basis over the period of the contract.
6. Portfolio management fees are accounted on accrual basis as follows:
  - (a) In case of fees based on fixed percentage of the corpus/ fixed amount, income is accrued over the period of the agreement.
  - (b) In case of fees, based on the returns of the portfolio, income is accounted on the termination of the portfolio agreement/on each anniversary as per the agreement.
  - (c) In case of an upfront non-refundable fee, income is accounted in the year of receipt.

##### C. DEBENTURE REDEMPTION RESERVE

In terms of Section 117C of the Companies Act, 1956, amounts equivalent to the principal value of the debentures and accrued interest thereon is transferred to Debenture Redemption Reserve proportionately over the term of the debentures.

##### D. COMMERCIAL PAPERS

The liability is recognised at face value at the time of issue of commercial paper. The discount on issue of commercial paper is amortised over the tenure of the commercial paper.

##### E. FIXED ASSETS

1. Fixed assets are stated at cost inclusive of incidental expenses less accumulated depreciation.
2. Depreciation is provided on straight line method over the useful life of the assets on pro-rata basis for additions and deletions during the year as under:

Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Premises	58 years (Previous Year 30 years)*
Furniture and Fixtures	6 years
Computers and Software	3 years
Office Equipments	5 years
Motor Vehicles	4 years

\*Impact of the change is not significant.

3. Fixed assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

##### F. INVESTMENTS

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at cost or market/fair value, whichever is lower. In case of investments in units of a mutual fund, the net asset value of units is considered as the market / fair value.

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### G. STOCK IN TRADE

Stock in trade is valued at cost or market value, whichever is lower.

### H. FOREIGN CURRENCY TRANSACTIONS

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Profit and Loss Account.

Foreign currency liabilities covered by forward exchange contracts entered to hedge the foreign currency risk are stated at the rate of exchange ruling on the date of the transaction. The difference between forward rate and exchange rate at the inception of the forward exchange contract is recognised as income or expense over the life of the contract.

### I. EQUITY INDEX/ STOCK FUTURES

- (a) "Initial Margin – Equity Derivative Instrument", representing the initial margin paid, and "Margin Deposits" representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/stock futures which are released on final settlement/squaring-up of underlying contracts, are disclosed under Loans and Advances.
- (b) Equity index/stock futures for arbitrage purposes are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.
- (c) As on the Balance Sheet date, profit/loss on open positions in equity index/ stock futures are accounted for as follows:
  - Credit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being the anticipated profit, is ignored and no credit for the same is taken in the Profit and Loss Account.
  - Debit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being anticipated loss, is adjusted in the Profit and Loss Account.
- (d) On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin – Equity Index/ Stock Futures Account" after adjustment of provision for anticipated losses is recognised in the Profit and Loss Account.

When more than one contract in respect of the relevant series of equity index/ stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

### J. EQUITY INDEX / STOCK OPTIONS

- (a) "Initial Margin Equity Derivative Instrument" representing the initial margin paid, and "Margin Deposit", representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock options, which are released on final settlement/ squaring-up of the underlying contracts, are disclosed under Loans and Advances.
- (b) "Equity Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively. All equity index/stock options are for arbitrage purposes.
- (c) As at the Balance Sheet date, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the Balance Sheet date, and in the case of short positions, for the amount by which the premium prevailing on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/ Stock Option Account".
- (d) When the options are squared up before expiry of the options, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognised in the Profit and Loss Account. If more than one option contract in respect of the same index/stock with the same strike price and expiry date to which the squared-up contract pertains is outstanding at the time of squaring-up of the contract, the weighted average method is followed for determining the profit or loss.

On the expiry of the contracts and on exercising the options, the difference between the final settlement price and the strike price is transferred to the Profit and Loss Account.

In both the above cases, the premium paid or received for buying or selling the option, as the case may be, is recognised in the Profit and Loss Account for all squared-up/settled contracts.

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### K. EMPLOYEE BENEFITS

- (a) Provident fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.
- (b) Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation.
- (c) Superannuation fund is a defined contribution scheme. The Company contributes to the Superannuation Fund administered by the trustees and managed by a life insurance company.
- (d) Short term compensated absences are provided for based on estimates.
- (e) Actuarial gains/losses are charged to the Profit and Loss Account.
- (f) The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by an employee is recognised during the period when the employee renders the service. These benefits include performance incentives and compensative absences on paid annual leave.

### L. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, 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.

### M. IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### N. 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 determined 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.

## 2. Contingent Liabilities:

- (a) Income tax matters in respect of which appeal is pending- Rs. Nil (Previous Year Rs. 56.66 Lacs).
- (b) Service tax matters in respect of which show cause demand notice has been received Rs. 32.58 Lacs (Previous Year Rs. 32.58 Lacs). This is being disputed by the Company and hence not provided for.
- (c) Counter guarantees given to scheduled banks - Rs. 30,395.00 Lacs (Previous Year Rs. 36,360.00 Lacs).
- (d) Guarantees given to Bombay Stock Exchange Limited on behalf of others for which the company has received a counter guarantee - Rs. 0.50 Lacs (Previous Year Rs. Nil).
- (e) Capital commitments (net of advances) - Rs. 2,745.55 Lacs (Previous Year Rs. 317.93 Lacs).
- (f) Claims against the Company – Rs. 577.09 Lacs (Previous Year – Rs. 6.80 Lacs)

Future cash outflows in respect of (b) and (f) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

- 3. (a) The Company has taken various offices, residential and godown premises under operating lease or leave and license agreements. These are generally cancellable in nature and range between 10 months to 96 months (with a maximum lock-in period of 60 months). These leave and license agreements are generally renewable or cancellable at the option of the Company.
- (b) Rent payments are recognised in the Profit and Loss Account under the head 'Rent' in Schedule 19.
- (c) The future minimum lease payments under non-cancellable operating lease – not later than one year is Rs. 239.93 Lacs (Previous Year Rs. 327.50 Lacs) and later than one year but not later than five years is Rs. 525.11 Lacs (Previous Year Rs. 319.35 Lacs).

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### 4. Deferred Income taxes:-

(a) Components of deferred tax balances as at 31st March, 2007:

Particulars	31st March, 2007 (Rupees in Lacs)	31st March, 2006 (Rupees in Lacs)
<b>Deferred Tax Assets</b>		
Provision for Doubtful Debts and Contingencies	536.89	219.05
Provision for Gratuity	84.95	56.53
Provision for Leave Encashment	97.17	—
Leave Encashment and Gratuity Liability of Earlier Years {Refer Note 5(a)}	178.32	—
Depreciation	23.96	—
Others	67.98	—
<b>Total</b>	<b>989.27</b>	<b>275.58</b>
<b>Deferred Tax Liability</b>		
Depreciation	—	(137.22)
<b>Total</b>	<b>—</b>	<b>(137.22)</b>
<b>Net Deferred Tax</b>	<b>989.27</b>	<b>138.36</b>

(b) The deferred tax credit for the year of Rs. 674.32 Lacs (excluding Rs. 176.59 on the adoption of AS-15 Revised) has been recognised in the Profit And Loss Account. Refer Note 5(a).

5. (a) During the year, the Company has adopted Accounting Standard (AS) 15 (revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountant of India with effect from 1st April 2006. Consequently, the Company recorded the difference between the liability as per revised AS 15 as on 1st April, 2006 and the liability that could have been recognised at the same date under the Company's previous accounting policy amounting to Rs. 348.04 Lacs (net of deferred tax asset of Rs. 176.59 Lacs) against General Reserve as on 1st April, 2006.

(b) Employee Benefit Obligation (Gratuity)

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation for gratuity benefits is given below.

Particulars	31st March, 2007 (Rupees in Lacs)
<b>Change in Defined Benefit Obligation</b>	
Opening Defined Benefit Obligation	196.04
Current Service Cost	61.85
Interest Cost	13.97
Actuarial Losses/(Gain)	25.41
Liabilities Extinguished on Curtailment	—
Liabilities Extinguished on Settlements	—
Liabilities Assumed on Acquisition	—
Benefits Paid	(19.24)
<b>Closing Defined Benefit Obligation</b>	<b>278.03</b>

(ii) Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31st March, 2007 (Rupees in Lacs)
Present Value of Funded Obligations	—
Fair Value of Plan Assets	—
Present Value of Unfunded Obligations	278.03
Unrecognized Past Service Cost	—
<b>Net Liability</b>	<b>278.03</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Particulars	31st March, 2007 (Rupees in Lacs)
<b>Amounts in the Balance Sheet:</b>	
Liabilities - Provisions (Schedule 13)	278.03
Assets	—
<b>Net Liability</b>	<b>278.03</b>

(iii) Cost recognised for the year

Particulars	31st March, 2007 (Rupees in Lacs)
Current Service Cost	61.85
Interest on Defined Benefit Obligation	13.97
Expected Return on Plan Assets	—
Net Actuarial Losses / (Gains) Recognized in Year	25.41
Past Service Cost	—
Losses / (Gains) on "Curtailements & Settlements"	—
<b>Total, included in Schedule 17 – Personnel- Gratuity</b>	<b>101.23</b>
Actual Return on Plan Assets	—

(iv) Principal actuarial assumption at 31st March, 2007

Particulars	Assumptions
Discount Rate	8.20% per annum
Salary Escalation Rate	15% per annum for the first 2 years, 10% per annum for the next 2 years and 6% per annum there after

(c) During the year, the Company has recognised the following amounts in the Profit and Loss Account:

	(Rupees in Lacs)
Employers Contribution to Provident Fund	388.40
Superannuation fund	12.27
Employees State Insurance Corporation	0.03

- Securities, which are not registered in the name of the Company, are held by the Company with valid transfer documents.
- Securities received from clients as collateral for margins are held by the Company in its own name in a fiduciary capacity.
- Units of Mutual Fund Purchased / Allotted and Sold / Redeemed during the year.

Mutual Fund Schemes	Face Value	Purchased / Allotted	Sold / Redeemed
LIC Liquid fund –Dividend Plan	10	18,241,247	18,241,247
ING Vysya Liquid Fund Institutional –Daily Dividend Option	10	54,977,652	54,977,652
HSBC Mutual fund Institutional Plus Daily Dividend	10	4,507	9,998,910
Principal Mutual Fund –Liquid option Institutional	10	125,047,062	135,046,362
Kotak Mahindra Mutual Fund – Kotak Liquid Institutional Premium Daily Dividend	10	21,958,436,304	22,012,009,798
SBI Mutual Fund-Magnum Institutional Income-Savings-Dividend	10	19,951,232	19,951,232
Deutsche- DWS Insta Cash Plus Fund-Institutional Plan –Daily Dividend	10	19,977,872	19,977,872

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### 9. (a) Quantitative Information in Respect of Trading in Securities #

	31st March, 2007		31st March, 2006	
	Quantity Nos.	Value (Rupees in Lacs)	Quantity Nos.	Value (Rupees in Lacs)
Opening Stock (A)				
Equity Shares	10,495,891	25,974.28	3,041,093	10,850.89
Bonds and Other Securities	—	—	—	—
<b>TOTAL (A)</b>	<b>10,495,891</b>	<b>25,974.28</b>	<b>3,041,093</b>	<b>10,850.89</b>
Purchases				
Equity Shares	132,113,019	457,149.63	99,646,900	361,548.42
Bonds and Other Securities	—	—	—	—
<b>TOTAL (B)</b>	<b>132,113,019</b>	<b>457,149.63</b>	<b>99,646,900</b>	<b>361,548.42</b>
Sales				
Equity Shares	138,941,775	466,216.54	92,192,102	353,020.63
Bonds and Other Securities	—	—	—	—
<b>TOTAL (C)</b>	<b>138,941,775</b>	<b>466,216.54</b>	<b>92,192,102</b>	<b>353,020.63</b>
Closing Stock (D)				
Equity Shares	3,667,135	12,970.58	10,495,891	25,974.28
<b>TOTAL (D)</b>	<b>3,667,135</b>	<b>12,970.58</b>	<b>10,495,891</b>	<b>25,974.28</b>
Profit/(Loss) on Trading in Options/ Futures (Net) (E)	—	10,594.69	—	(2,999.42)
<b>Profit (A+B-C-D-E)</b>		<b>6,657.90</b>		<b>3,596.18</b>

# Transactions and stocks on account of error trades/trades not confirmed by clients have not been considered.

### (b) Stock in Trade pledged with National Securities Clearing Corporation Limited towards Exposure in Derivatives Segment as on 31st March, 2007.

Name of Scrip	Face Value (Rs.)	31st March, 2007		31st March, 2006	
		Qty.	(Rupees in Lacs)	Qty.	(Rupees in Lacs)
ACC Limited	10	33,375	245.39	—	—
Allahabad Bank	10	—	—	227,850	180.12
Andhra Bank	10	—	—	229,700	185.48
Asea Brown Boveri Limited	10	—	—	27,600	808.14
Bajaj Auto Limited	10	—	—	1,000	26.82
Bank of Baroda	10	672,000	1445.14	312,000	719.32
Bank of India	10	—	—	26,600	34.9
Bharat Electronics Limited	10	—	—	17,600	231.84
Bongaigaon Refinery & Petrochemicals Limited	10	—	—	20,000	13.13
Colgate-Palmolive (India) Limited	10	—	—	44,100	181.4
Cummins India Limited	2	—	—	281,200	636.77
Divi's Laboratories Limited	10	—	—	13,250	207.95
Glaxo SmithKline Pharmaceuticals Limited	10	—	—	12,000	146.77
GMR Infrastructure Limited	10	43,000	154.93	—	—
Gujarat Ambuja Cements Limited	2	—	—	4,000	4

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Name of Scrip	Face Value (Rs.)	31st March, 2007		31st March, 2006	
		Qty.	(Rupees in Lacs)	Qty.	(Rupees in Lacs)
Gujarat Narmada Fertilisers Limited	10	—	—	528,050	609.11
India Cements Limited	10	—	—	574,000	858.17
Indian Hotels Co Limited (Previous Year Face Value Rs. 10)	1	—	—	37,100	418.6
Indian Overseas Bank	10	—	—	206,450	199.74
Industrial Development Bank Of India	10	412,800	320.33	374,000	292.84
Infosys Technologies Limited	5	—	—	17,000	496.48
IVRCL Infrastructures & Projects Limited	2	—	—	31,800	88.4
Jammu and Kashmir Bank	10	—	—	1,200	5.41
Jindal Stainless Limited	2	—	—	2,000	2.28
Jindal Steel & Power Limited	5	—	—	10,250	160.82
Karnataka Bank	10	—	—	15,000	15.02
LIC Housing Finance Limited	10	—	—	240,550	456.44
Mahanagar Telephone Nigam Limited	10	132,800	194.88	—	—
Matrix Laboratories Limited	2	—	—	133,750	309.51
New Delhi Television Limited	4	—	—	78,100	189.42
Neyveli Lignite Corporation Limited	10	—	—	59,000	44.16
Polaris Software Lab Limited	5	—	—	151,200	177.06
Praj Industries Limited	2	23,100	50.51	—	—
Punj Lloyd Limited (Previous Year Face Value Rs. 10)	2	—	—	138,900	1,479.45
Punjab National Bank	10	26,400	120.00	—	—
Reliance Capital Limited	10	116,600	764.76	382,600	1,935.80
Siemens Limited (Previous Year Face Value Rs. 10)	2	—	—	4,114	233.46
SRF Limited	10	—	—	175,500	481.5
State Bank of India	10	150,500	1496.65	—	—
Sterlite Industries (India) Limited (Previous Year Face Value Rs. 5)	2	—	—	3,600	50.27
Strides Arcolab Limited	10	—	—	42,500	125.98
Suzlon Energy Limited	10	—	—	68,000	885.07
Tata Chemicals Limited	10	—	—	100,550	256.31
Tata Tea Limited	10	—	—	88,000	762.82
Titan Industries Limited	10	—	—	90,420	753.59
Union Bank of India	10	919,800	956.59	—	—
Vijaya Bank	10	—	—	37,950	19.87
Wockhardt Limited	5	—	—	76,800	388.72
<b>Total</b>		<b>2,530,375</b>	<b>5749.18</b>	<b>4,885,284</b>	<b>15,072.94</b>

(c) Stock in Trade pledged with Bombay Stock Exchange Limited towards Additional Base Capital in Cash segment on 31st March, 2007.

Name of Scrip	Face Value (Rs.)	31st March, 2007		31st March, 2006	
		Qty.	(Rupees in Lacs)	Qty.	(Rupees in Lacs)
Glaxo SmithKline Pharmaceuticals Limited	10	—	—	13,500	165.12
Industrial Development Bank Of India	10	—	—	132,000	103.36
<b>Total</b>		<b>—</b>	<b>—</b>	<b>145,500</b>	<b>268.48</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### 10. Open Interest in Individual Stock Futures as on 31st March, 2007.

#### (a) Open Long Positions:

Name of Equity Index/Stock Futures	Expiry Date	No of Contracts	No of Units
Tata Motors Limited	26/04/2007	1	412
Shree Renuka Sugar Limited	26/04/2007	2	1,000
JSW steel Limited	26/04/2007	2	1,100
S&P CNX Nifty	26/04/2007	61	3,050
S&P CNX Nifty	31/05/2007	1,560	78,000
Reliance Industries Limited	26/04/2007	30	4,500
Jet Airways India Limited	26/04/2007	15	6,000
Wipro Limited	26/04/2007	8	4,800
Zee Entertainment Enterprises Limited	26/04/2007	6	4,200

#### (b) Open Short Positions:

Name of Equity Index/Stock Futures	Expiry Date	No of Contracts	No of Units
S&P CNX Nifty	26/04/2007	10,484	524,200
ACC Limited	26/04/2007	577	216,375
Allahabad Bank	26/04/2007	3	7,350
Arvind Mills Limited	26/04/2007	2	8,600
Bajaj Auto Limited	26/04/2007	37	3,700
Bank of Baroda	26/04/2007	510	714,000
Bank of India	26/04/2007	55	104,500
Century Textiles Limited	26/04/2007	18	7,650
The Great Eastern Shipping company Limited	26/04/2007	4	2,400
GMR Infra structure Limited	26/04/2007	87	87,000
Gujarat Narmada Fertilizers Company Limited	26/04/2007	8	23,600
Industrial Development Bank of India Limited	26/04/2007	152	364,800
Idea Cellular Limited	26/04/2007	11	29,700
India Cement Limited	26/04/2007	43	62,350
Infosys Technologies Limited	26/04/2007	3	300
Mahanagar Telephone Nigam Limited	26/04/2007	83	132,800
Punjab National Bank	26/04/2007	116	69,600
Praj Industries Limited	26/04/2007	21	23,100
Reliance Capital Limited	26/04/2007	251	138,050
Reliance Industries Limited	26/04/2007	91	13,650
State Bank Of India	26/04/2007	1930	482,500
Sesa Goa Limited	26/04/2007	406	60,900
Tata Motors Limited	26/04/2007	14	5,768
Union Bank Of India Limited	26/04/2007	497	1,043,700

Initial margin on equity index futures contracts as well as individual stock futures has been paid in cash only.

#### (c) Outstanding Options Contract as on 31st March, 2007

Name of the Option – Index/Stock	(Rupees in Lacs)	
	Total Premium Carried Forward at 31st March, 2007,	Net of Provisions Made
S&P CNX Nifty		(551.97)
Mphasis BFL Limited		(0.38)
Tata Steel Limited		0.06
Tata Motors Limited		(0.22)
<b>Grand Total</b>		<b>(552.51)</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

11. The Company is a corporate member broker of the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company is eligible to provide margin-trading facility to its clients in terms of the Securities and Exchange Board of India circular. Sundry debtors include Rs. 4,798.11 Lacs (Previous Year Rs. 4,545.18 Lacs) on account of loans granted under margin trading facility to clients against pledge of securities.
12. Fixed deposits with scheduled banks include Rs. 75,493.10 Lacs (Previous Year Rs. 43,741.97 Lacs) which is under the lien of National Securities Clearing Corporation Limited, Rs. 10,200.30 Lacs (Previous Year Rs. 5,700.00 Lacs) which is under the lien of Bombay Stock Exchange Limited and Rs. 0.95 Lacs (Previous Year Rs. 0.95 Lacs) as collateral towards lifting of shares for rectification from custodians.

13. Provision for Contingencies:

Nature of Liability	Provision as on 1st April, 2006	Addition	Amount Used	Unused Amount Reversed	(Rupees in Lacs)
					Provision as on 31st March, 2007
Interest on Stamp Duty	160.56	—	—	—	160.56
Stamp Duty on Trades	92.27	793.69	—	—	885.96
<b>Total</b>	<b>252.83</b>	<b>793.69</b>	<b>—</b>	<b>—</b>	<b>1,046.52</b>

14. (a) Fee Income:

Particulars	31st March, 2007 (Rupees in Lacs)	31st March, 2006 (Rupees in Lacs)
Client Money Management Services	7,848.38	6,182.40
Depository Fees	2,318.57	1,593.84
Loan Syndication Fees	218.62	328.48
Loan Arranging Fees	159.95	101.65
Other Fees	503.72	229.83
<b>Total</b>	<b>11,049.24</b>	<b>8,436.20</b>

(b) Interest Income— Others comprises interest on delayed payments and from clients.

15. Dividend income represents dividend on current investments Rs. 792.54 Lacs (Previous Year Rs. 231.89 Lacs) and on stock in trade Rs. 230.14 Lacs (Previous Year Rs. 359.22 Lacs).
16. Profit on sale of investments (net) represents profit on sale of current investments (net) (other than trade) Rs. 0.18 Lacs (Previous Year Rs. 23.32 Lacs).
17. Liabilities written back comprises of provision no longer required in respect of sub brokerage Rs. 83.46 Lacs (Previous Year Rs. 166.40 Lacs), expenses Rs. 72.84 Lacs (Previous Year Rs. 29.67 Lacs) and other credit balances Rs. 62.51 Lacs (Previous Year Rs. 87.20 Lacs).
18. During the year the Company has paid Rs. 858.30 Lacs (Previous Year Rs. 339.08 Lacs) towards Kotak Mahindra Equity Option Plan of Kotak Mahindra Bank Limited, the Holding Company, in respect of stock options granted to its employees. This amount has been charged to the Profit and Loss Account and included under the head Salaries, Allowances and Bonus in Schedule 17.
19. Recovery of expenses in Schedule 17 and Schedule 19 are amounts recovered from fellow subsidiaries towards the value of costs apportioned of the Company's employees and facilities in accordance with the agreements on allocation of expenses with fellow subsidiary companies.
20. (a) Managerial Remuneration:

Particulars	2006-2007 Rupees in Lacs	2005-2006 Rupees in Lacs
Salaries and Incentives	783.72	527.94
Contribution to Provident and Other Funds	12.27	7.05
Employee Stock Option Plan (Refer Note 18)	194.48	71.34
<b>Total</b>	<b>990.47</b>	<b>606.33</b>

Director sitting fees Rs. 20,000 (Previous Year Rs. Nil)

The above excludes provision for gratuity since this is based on actuarial valuation done on an overall Company basis and excludes allocations from group companies.

- (b) Computation of net profit in accordance with Section 309 (5) of the Companies Act, 1956 has not been made as no commission is payable to the Directors.

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

21. (a) Expenditure in Foreign Currency:-
- (i) Travelling Rs. 17.87 Lacs (Previous Year Rs. 21.44 Lacs)
  - (ii) Membership and Subscription Rs. 41.15 Lacs (Previous Year Rs. 3.90 Lacs)
  - (iii) Conference and Meetings Rs. 86.16 Lacs (Previous Year Rs. 12.50 Lacs)
  - (iv) Software Rs. 25.56 Lacs (Previous Year Rs. 22.91 Lacs)
  - (v) Business Promotion Rs. 50.37 Lacs (Previous Year Rs. Nil)
  - (vi) Common Establishment Expenses- Reimbursement Rs. 132.66 Lacs (Previous Year Rs. Nil)
- (b) Earnings in Foreign Currency:-
- Advisory Fees Rs. 6.40 (Previous Year Rs. 8.04 Lacs)
22. During the year, the Company has paid Rs. 262.91 Lacs on account of a registered sub-broker of the Company transferring/ misappropriating securities lying to the credit of sub-broker's client's demat beneficiary account. This amount has been charged to the Profit and Loss Account and included under the head "Other Expenses – Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlement Cost (net)".
23. Information with regard to other matters specified in paragraphs 4-C and 4-D of Part II of Schedule VI to the Companies Act 1956 is either nil or not applicable to the Company for the financial year ended 31st March 2007.
24. Segment Information for the year ended 31st March, 2007.

(a) Information about Primary Business Segments

(Rupees in Lacs)

Particulars	Broking	Treasury and Investments	Portfolio Management	Unallocated	Total
<b>Segment Revenue</b>					
Income from external customers	59,140.69	16,152.58	7,848.38	32.80	83,174.45
Previous year	48,713.62	6,736.30	6,187.47	152.39	61,789.78
Income from inter segments	—	—	—	—	—
Previous year	—	—	—	—	—
Liabilities written back as no longer required	154.98	—	—	63.83	218.81
Previous year	248.61	—	—	34.66	283.27
<b>Total</b>	<b>59,295.67</b>	<b>16,152.58</b>	<b>7,848.38</b>	<b>96.63</b>	<b>83,393.26</b>
Previous year	48,962.23	6,736.30	6,187.47	187.05	62,073.05
<b>Segment Result</b>	<b>27,033.57</b>	<b>6,782.23</b>	<b>2,605.54</b>	<b>90.80</b>	<b>36,512.14</b>
Previous year	25,093.30	4,512.35	2,431.72	10.35	32,047.72
<b>Income Tax – Current, Deferred and Fringe Benefit Tax</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,940.72</b>	<b>10,940.72</b>
Previous year	—	—	—	10,493.60	10,493.60
<b>Net Profit</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>25,571.42</b>
Previous year	—	—	—	—	21,554.12
<b>Other Information</b>					
Carrying amount of segment assets	45,144.28	134,336.63	250.29	33,321.23	213,052.43
Previous year	67,590.71	120,814.33	305.14	901.55	189,611.73
Carrying amount of segment liabilities	71,326.24	64,086.00	1,028.36	1,531.78	137,972.38
Previous year	102,241.58	34,663.56	836.54	2,013.38	139,755.06
Cost to acquire tangible fixed assets	1,897.17	6.98	2.55	811.35	2,718.05
Previous year	2,360.42	12.19	22.09	735.69	3,130.39
Depreciation / Amortisation	1,479.88	9.05	11.73	821.10	2,321.76
Previous year	1,095.69	4.07	9.28	480.95	1,589.99

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

(b) Notes:

(i) The Company is organised into the following segments, namely

“Broking” – comprising of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and services rendered in connection with primary market subscription/mobilisation and distribution of life insurance product. It also includes interest on delayed payments, incidental and consequential to secondary market related business received from clients.

“Treasury and Investments” – comprising of proprietary trading in securities and interest on fixed deposits with banks.

“Portfolio Management” – comprising of portfolio management services.

During the year, the Company has changed its segment reporting based on the nature of products and services, the differing risks and returns, the organisation structure and the internal financial reporting system. Such a change does not have a significant impact on the segment information reported and also does not change aggregate financial information for the Company as a whole. The previous years figures have been regrouped to confirm to the changed segments.

(ii) Unallocated revenue consists of:

	31st March, 2007 (Rupees in Lacs)	31st March, 2006 (Rupees in Lacs)
Fee Income	—	104.50
Interest Income	3.36	3.58
Dividend on Current Investments	—	—
Profit on Sale of Investments (net)	—	—
Liabilities Written Back As No Longer Required	63.83	34.66
Profit on Sale of Fixed Assets	8.73	7.49
Miscellaneous Income	20.71	36.82
<b>Total</b>	<b>96.63</b>	<b>187.05</b>

(iii) Unallocated expenses comprise of general administrative expenses and taxation provided at an enterprise level.

(iv) Segment assets comprise mainly of fixed assets, trade and other receivables, stock-in-trade, accrued income receivable and advances. Unallocated assets represent mainly fixed assets and advances. Segment liabilities include loans, trade and other payables and sundry creditors. Unallocated liabilities mainly include deferred tax, retirement benefits, outstanding expenses and statutory liabilities.

25. Related party disclosures, as required by Accounting Standard 18, “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given below:-

1. Relationships (During the year):

A. Related parties where control exists:

Nature of relationship	Related Party
Holding Company	Kotak Mahindra Bank Limited (KMBL) (Holds 74.99% of the equity share capital) Mr. Uday S. Kotak, along with relatives and companies controlled by him, holds 51.46% of the equity share capital of KMBL

B. Other Related Parties:

(i) Fellow Subsidiaries:	Kotak Mahindra Capital Company Limited Kotak Mahindra Prime Limited Kotak Mahindra Asset Management Company Limited Kotak Forex Brokerage Limited Kotak Mahindra Inc Kotak Mahindra (International) Limited Kotak Mahindra UK Limited Kotak Mahindra Investments Limited Kotak Mahindra Securities Limited Kotak Mahindra Old Mutual Life Insurance Company Limited (Formerly known as OM Kotak Mahindra Life Insurance Company Limited) Global Investment Opportunities Fund Limited
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## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

(ii) Venturer in respect of which the reporting enterprise is an associate or joint venture	Goldman Sachs (Mauritius) LLC (up to 30th May, 2006)
(iii) Key management personnel	Mr. Uday S. Kotak, Non Executive Chairman Mr. Narayan S. A., Managing Director Ms. Falguni Nayar, Non Executive Director Mr. C. Jayaram, Non Executive Director Mr. Alroy Lobo, Managing Director – Institutional Equities Mr. Shivaji Dam, Independent Director (effective from 11th August, 2006) Mr. D. Kannan, Executive Director (effective from 11th August, 2006)
(iv) Relatives of key management personnel and other proprietary concerns.	Mr. A. K. S.Mani Mrs. Rekha Narayan Mr. Sanjay Nayar Mrs. Rashmi Mehta Mr. Hemant Mehta Mr. Suresh Kotak Mrs. Indira Kotak Master Jay Kotak Master Dhawal Kotak Mrs. N. Rajambal Mr. D. G. Subramanian Ms. Lakshmi S. Mrs. Suchandra Dam
(v) Enterprises over which Director/ key management personnel/relatives of key management personnel have significant influence	Aero Agencies Private Limited Komaf Financial Services Limited Insurekot Investment Private Limited Kotak and Company Limited Kotak Commodity Services Limited Multifaced Finstock Private Limited
(vi) Mutual fund /venture capital fund managed by fellow subsidiary	Kotak Mahindra Mutual Fund Managed by Kotak Mahindra Asset Management Company Limited Kotak Mahindra Venture Capital Fund sponsored by Kotak Mahindra Trusteeship Services Limited (Formerly known as Kotak Mahindra Private Equity Trustee Limited).

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

2. Following transactions were carried out with related parties in the ordinary course of business

Nature of Transactions	Name of the Related Party	Holding Company/ Controlling Entity **		Fellow Subsidiary Companies	
		Current Year	Previous Year	Current Year	Previous Year
<b>FINANCE</b>					
Inter Corporate Deposits Taken	Multifaced Finstock Private Limited	—	—	—	—
<b>Inter Corporate Deposits Taken Total</b>		—	—	—	—
Inter Corporate Deposits Repaid	Multifaced Finstock Private Limited	—	—	—	—
<b>Inter Corporate Deposits Repaid Total</b>		—	—	—	—
Interest Paid on Inter Corporate Deposits	Multifaced Finstock Private Limited	—	—	—	—
<b>Interest Paid on Inter Corporate Deposits Total</b>		—	—	—	—
Interest Paid on Margin Money	Kotak Mahindra Investments Limited	—	—	21.64	—
	Kotak Mahindra Prime Limited	—	—	26.56	—
<b>Interest Paid on Margin Money Total</b>		—	—	48.20	—
Other Loans Taken	Kotak Mahindra Prime Limited	—	—	96.19	178.61
<b>Other Loans Taken Total</b>		—	—	96.19	178.61
Other Loans Repaid	Kotak Mahindra Prime Limited	—	—	358.12	86.41
<b>Other Loans Repaid Total</b>		—	—	358.12	86.41
Debentures Taken	Kotak Forex Brokerage Limited	—	—	175.00	—
<b>Debentures Taken Total</b>		—	—	175.00	—
Investments	Goldman Sachs (Mauritius) LIC	—	—	—	—
	Kotak Forex Brokerage Limited	—	—	75.00	—
	Kotak Mahindra Investments Limited	—	—	12,549.50	—
<b>Investments Total</b>		—	—	12,624.50	—
Deposits given	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	5.00	—
<b>Deposits given Total</b>		—	—	5.00	—
Fixed Deposits Placed during the year	Kotak Mahindra Bank Limited	86,941.17	95,402.88	—	—
<b>Fixed Deposits Placed during the year Total</b>		86,941.17	95,402.88	—	—
Fixed Deposits Repaid during the year	Kotak Mahindra Bank Limited	70,927.55	67,245.62	—	—
<b>Fixed Deposits Repaid during the year Total</b>		70,927.55	67,245.62	—	—
Interest Received on Fixed Deposits	Kotak Mahindra Bank Limited	7,060.36	1,710.99	—	—
<b>Interest Received on Fixed Deposits Total</b>		7,060.36	1,710.99	—	—
<b>MUTUAL FUND INVESTMENTS</b>					
Purchase	Kotak Mahindra Mutual Fund	—	—	2,685,099.55	1,090,324.86
<b>Purchase Total</b>		—	—	2,685,099.55	1,090,324.86
Sale/Redemption	Kotak Mahindra Mutual Fund	—	—	2,691,650.57	1,083,773.84
<b>Sale/Redemption Total</b>		—	—	2,691,650.57	1,083,773.84
Dividend Received/Profit Earned	Kotak Mahindra Mutual Fund	—	—	778.55	229.92
<b>Dividend Received/Profit Earned Total</b>		—	—	778.55	229.92
<b>OUTSTANDINGS</b>					
Overdraft from banks	Kotak Mahindra Bank Limited	1,868.86	1,623.94	—	—
<b>Overdraft from banks Total</b>		1,868.86	1,623.94	—	—
Debentures	Kotak Forex Brokerage Limited	—	—	175.00	—
<b>Debentures Total</b>		—	—	175.00	—
Interest Accrued on Debentures	Kotak Forex Brokerage Limited	—	—	0.41	—
<b>Interest Accrued on Debentures Total</b>		—	—	0.41	—

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

(Amount in Lacs)

Venture in respect of which the Reporting Enterprise is an Associate		Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel/ Relatives thereof are having Significant Influence		Total	
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
—	—	—	—	—	—	10,500.00	5,000.00	10,500.00	5,000.00
—	—	—	—	—	—	10,500.00	5,000.00	10,500.00	5,000.00
—	—	—	—	—	—	10,500.00	5,000.00	10,500.00	5,000.00
—	—	—	—	—	—	10,500.00	5,000.00	10,500.00	5,000.00
—	—	—	—	—	—	56.71	27.33	56.71	27.33
—	—	—	—	—	—	56.71	27.33	56.71	27.33
—	—	—	—	—	—	—	—	21.64	—
—	—	—	—	—	—	—	—	26.56	—
—	—	—	—	—	—	—	—	48.20	—
—	—	—	—	—	—	—	—	96.19	178.61
—	—	—	—	—	—	—	—	96.19	178.61
—	—	—	—	—	—	—	—	358.12	86.41
—	—	—	—	—	—	—	—	358.12	86.41
—	—	—	—	—	—	—	—	175.00	—
—	—	—	—	—	—	—	—	175.00	—
21,000.00	—	—	—	—	—	—	—	21,000.00	—
—	—	—	—	—	—	—	—	75.00	—
—	—	—	—	—	—	—	—	12,549.50	—
—	—	—	—	—	—	—	—	12,624.50	—
—	—	—	—	—	—	—	—	5.00	—
—	—	—	—	—	—	—	—	5.00	—
—	—	—	—	—	—	—	—	86,941.17	95,402.88
—	—	—	—	—	—	—	—	86,941.17	95,402.88
—	—	—	—	—	—	—	—	70,927.55	67,245.62
—	—	—	—	—	—	—	—	70,927.55	67,245.62
—	—	—	—	—	—	—	—	7,060.36	1,710.99
—	—	—	—	—	—	—	—	7,060.36	1,710.99
—	—	—	—	—	—	—	—	2,685,099.55	1,090,324.86
—	—	—	—	—	—	—	—	2,685,099.55	1,090,324.86
—	—	—	—	—	—	—	—	2,691,650.57	1,083,773.84
—	—	—	—	—	—	—	—	2,691,650.57	1,083,773.84
—	—	—	—	—	—	—	—	778.55	229.92
—	—	—	—	—	—	—	—	778.55	229.92
—	—	—	—	—	—	—	—	1,868.86	1,623.94
—	—	—	—	—	—	—	—	1,868.86	1,623.94
—	—	—	—	—	—	—	—	175.00	—
—	—	—	—	—	—	—	—	175.00	—
—	—	—	—	—	—	—	—	0.41	—
—	—	—	—	—	—	—	—	0.41	—

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Nature of Transactions	Name of the Related Party	Holding Company/ Controlling Entity **		Fellow Subsidiary Companies	
		Current Year	Previous Year	Current Year	Previous Year
Investments	Kotak Mahindra Capital Company Limited	—	—	21,000.00	—
	Kotak Forex Brokerage Limited	—	—	75.00	—
	Kotak Mahindra Prime Limited	—	—	12,549.50	—
<b>Investments Total</b>		—	—	<b>33,624.50</b>	—
Deposits	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	5.00	—
<b>Deposits Total</b>		—	—	<b>5.00</b>	—
Interest Accrued on Fixed Deposits-Receiveable	Kotak Mahindra Bank Limited	713.61	228.62	—	—
<b>Interest Accrued on Fixed Deposits-Receiveable Total</b>		<b>713.61</b>	<b>228.62</b>	—	—
Fixed Deposits Balance	Kotak Mahindra Bank Limited	66,246.17	50,232.55	—	—
<b>Fixed Deposits Balance Total</b>		<b>66,246.17</b>	<b>50,232.55</b>	—	—
Loan Outstanding for Vehicles	Kotak Mahindra Prime Limited	—	—	—	261.93
<b>Loan Outstanding for Vehicles Total</b>		—	—	—	<b>261.93</b>
Mutual Fund Investments	Kotak Mahindra Mutual Fund	—	—	—	6,551.02
<b>Mutual Fund Investments Total</b>		—	—	—	<b>6,551.02</b>
<b>BROKING TRANSACTIONS (SECONDARY AND PRIMARY MARKET OPERATIONS)</b>					
Purchases	Kotak Mahindra Bank Limited	0.30	—	—	—
	Kotak Mahindra Capital Company Limited	—	—	501,933.15	487,207.63
	Kotak Mahindra International Limited	—	—	13,791.56	11,730.59
	Kotak Mahindra Investments Limited	—	—	65,911.98	6,275.75
	Kotak Mahindra Mutual Fund	—	—	45,880.52	30,431.96
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	23,481.12	—
	Kotak Mahindra Prime Limited	—	—	25,652.16	—
	Goldman Sachs (Mauritius) LLC	—	—	—	—
	D Kannan	—	—	—	—
	Narayan S A	—	—	—	—
	Multifaced FinstockPrivate Limited	—	—	—	—
	Others	—	—	—	—
<b>Purchases Total</b>		<b>0.30</b>	—	<b>676,650.49</b>	<b>535,645.93</b>
Sales	Kotak Mahindra Bank Limited	6,238.46	1,058.51	—	—
	Kotak Mahindra Capital Company Limited	—	—	538,785.59	485,833.32
	Kotak Mahindra International Limited	—	—	33,448.92	20,531.49
	Kotak Mahindra Investments Limited	—	—	58,811.35	6,542.59
	Kotak Mahindra Mutual Fund	—	—	33,425.16	35,369.66
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	17,237.93	—
	Kotak Mahindra Prime Limited	—	—	22,175.15	—
	Goldman Sachs (Mauritius) LLC	—	—	—	—
	D kannan	—	—	—	—
	Narayan S A	—	—	—	—
	Others #	—	—	1,037.94	2,784.85
<b>Sales Total</b>		<b>6,238.46</b>	<b>1,058.51</b>	<b>704,922.04</b>	<b>551,061.91</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

(Amount in Lacs)

Venture in respect of which the Reporting Enterprise is an Associate	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel/Relatives thereof are having Significant Influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	—	—	—	—	—	—	21,000.00	—
	—	—	—	—	—	—	75.00	—
	—	—	—	—	—	—	12,549.50	—
	—	—	—	—	—	—	33,624.50	—
	—	—	—	—	—	—	5.00	—
	—	—	—	—	—	—	5.00	—
	—	—	—	—	—	—	713.61	228.62
	—	—	—	—	—	—	713.61	228.62
	—	—	—	—	—	—	66,246.17	50,232.55
	—	—	—	—	—	—	66,246.17	50,232.55
	—	—	—	—	—	—	—	261.93
	—	—	—	—	—	—	—	261.93
	—	—	—	—	—	—	—	6,551.02
	—	—	—	—	—	—	—	6,551.02
	—	—	—	—	—	—	0.30	—
	—	—	—	—	—	—	501,933.15	487,207.63
	—	—	—	—	—	—	13,791.56	11,730.59
	—	—	—	—	—	—	65,911.98	6,275.75
	—	—	—	—	—	—	45,880.52	30,431.96
	—	—	—	—	—	—	23,481.12	—
	—	—	—	—	—	—	25,652.16	—
	911,895.17	3,577,957.17	—	—	—	—	911,895.17	3,577,957.17
	—	—	21.49	—	—	—	21.49	—
	—	—	44.39	89.26	—	—	44.39	89.26
	—	—	—	—	—	10,523.27	10,523.27	—
	—	—	—	—	106.34	26.66	0.30	106.34
	911,895.17	3,577,957.17	65.88	89.26	106.34	26.66	10,523.27	0.30
	—	—	—	—	—	—	6,238.46	1,058.51
	—	—	—	—	—	—	538,785.59	485,833.32
	—	—	—	—	—	—	33,448.92	20,531.49
	—	—	—	—	—	—	58,811.35	6,542.59
	—	—	—	—	—	—	33,425.16	35,369.66
	—	—	—	—	—	—	17,237.93	—
	—	—	—	—	—	—	22,175.15	—
	1,027,344.68	3,815,063.79	—	—	—	—	1,027,344.68	3,815,063.79
	—	—	101.28	—	—	—	101.28	—
	—	—	242.52	48.92	—	—	242.52	48.92
	—	—	10.31	39.32	359.97	99.82	10,698.61	16.95
	1,027,344.68	3,815,063.79	354.11	88.24	359.97	99.82	10,698.61	16.95
							1,749,917.87	4,367,389.22

## Schedules forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Nature of Transactions	Name of the Related Party	Holding Company/ Controlling Entity **		Fellow Subsidiary Companies	
		Current Year	Previous Year	Current Year	Previous Year
Brokerage Earned	Kotak Mahindra Bank Limited	13.76	1.94	—	—
	Kotak Mahindra Capital Company Limited	—	—	2,846.09	3,344.89
	Kotak Mahindra International Limited	—	—	19.04	16.73
	Kotak Mahindra Investments Limited	—	—	127.39	13.23
	Kotak Mahindra Mutual Fund	—	—	553.23	468.51
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	80.70	—
	Kotak Mahindra Prime Limited	—	—	12.79	—
	Kotak Mahindra Asset Management Company Limited	—	—	0.37	—
	Goldman Sachs (Mauritius) LLC	—	—	—	—
	D Kannan	—	—	—	—
	Narayan S A	—	—	—	—
	Multifaced Finstock Private Limited	—	—	—	—
	Kotak Commodity Services Limited	—	—	—	—
	Others #	—	—	1.56	4.18
<b>Brokerage Earned Total</b>		<b>13.76</b>	<b>1.94</b>	<b>3,641.17</b>	<b>3,847.54</b>
Liabilities Written Back	Kotak Mahindra Capital Company Limited	—	—	26.76	93.65
<b>Liabilities Written Back Total</b>		<b>—</b>	<b>—</b>	<b>26.76</b>	<b>93.65</b>
Receivable	Kotak Mahindra Bank Limited	—	0.01	—	—
	Kotak Mahindra Capital Company Limited	—	—	8.82	—
	Kotak Mahindra International Limited	—	—	—	0.01
	Kotak Mahindra Mutual Fund	—	—	0.78	2.96
	Kotak Mahindra Securities Limited	—	—	0.02	0.23
	Kotak Mahindra Investments Limited	—	—	2.06	—
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	3.00	—
	Goldman Sachs (Mauritius) LLC	—	—	—	—
	Others #	—	—	—	0.10
<b>Receivable Total</b>		<b>—</b>	<b>0.01</b>	<b>14.68</b>	<b>3.30</b>
Payable	Kotak Mahindra Bank Limited	0.09	3.75	—	—
	Kotak Mahindra Capital Company Limited	—	—	—	838.34
	Kotak Mahindra Investments Limited	—	—	320.94	245.88
	Kotak Mahindra Prime Limited	—	—	107.39	—
	Kotak Mahindra International Limited	—	—	8.66	24.48
	D Kannan	—	—	—	—
	Narayan S A	—	—	—	—
	Shivaji Dam	—	—	—	—
	Others	—	—	—	—
		<b>0.09</b>	<b>3.75</b>	<b>436.99</b>	<b>1,108.70</b>
<b>OTHER RECEIPTS AND PAYMENTS</b>					
Fee Income	Kotak Mahindra Bank Limited	—	^	—	—
	Kotak Mahindra Capital Company Limited	—	—	79.07	104.71
	Kotak Mahindra Asset Management Company Limited	—	—	2.01	2.00
	Kotak Mahindra International Limited	—	—	0.01	8.05
	Kotak Mahindra Investments Limited	—	—	2.06	3.01
	Kotak Mahindra Securities Limited	—	—	0.02	0.25
	D Kannan	—	—	—	—
	Narayan S A	—	—	—	—
	Shivaji Dam	—	—	—	—
	Kotak Commodity Services Limited	—	—	—	—
	Others #	—	—	0.47	1.23
<b>Fee Income Total</b>		<b>—</b>	<b>^</b>	<b>83.64</b>	<b>119.25</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Venture in respect of which the Reporting Enterprise is an Associate		Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel/Relatives thereof are having Significant Influence		Total	
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
—	—	—	—	—	—	—	—	13.76	1.94
—	—	—	—	—	—	—	—	2,846.09	3,344.89
—	—	—	—	—	—	—	—	19.04	16.73
—	—	—	—	—	—	—	—	127.39	13.23
—	—	—	—	—	—	—	—	553.23	468.51
—	—	—	—	—	—	—	—	80.70	—
—	—	—	—	—	—	—	—	12.79	—
—	—	—	—	—	—	—	—	0.37	—
1,359.16	6,094.73	—	—	—	—	—	—	1,359.16	6,094.73
—	—	0.52	—	—	—	—	—	0.52	—
—	—	0.64	0.28	—	—	—	—	0.64	0.28
—	—	—	—	—	—	8.24	—	8.24	—
—	—	—	—	—	—	2.60	—	2.60	—
—	—	0.03	—	1.13	0.24	—	0.31	2.72	4.73
—	—	—	—	—	—	—	—	—	—
1,359.16	6,094.73	1.19	0.28	1.13	0.24	10.84	0.31	5,027.25	9,945.04
—	—	—	—	—	—	—	—	26.76	93.65
—	—	—	—	—	—	—	—	26.76	93.65
—	—	—	—	—	—	—	—	—	0.01
—	—	—	—	—	—	—	—	8.82	—
—	—	—	—	—	—	—	—	—	0.01
—	—	—	—	—	—	—	—	0.78	2.96
—	—	—	—	—	—	—	—	0.02	0.23
—	—	—	—	—	—	—	—	2.06	—
—	—	—	—	—	—	—	—	3.00	—
332.99	332.44	—	—	—	—	—	—	332.99	332.44
—	—	0.01	—	0.19	0.26	—	—	0.20	0.36
332.99	332.44	0.01	—	0.19	0.26	—	—	347.87	336.01
—	—	—	—	—	—	—	—	0.09	3.75
—	—	—	—	—	—	—	—	—	838.34
—	—	—	—	—	—	—	—	320.94	245.88
—	—	—	—	—	—	—	—	107.39	—
—	—	—	—	—	—	—	—	8.66	24.48
—	—	0.71	—	—	—	—	—	0.71	—
—	—	—	0.23	—	—	—	—	—	0.23
—	—	0.01	—	—	—	—	—	0.01	—
—	—	—	—	2.44	0.04	—	0.05	2.44	0.09
—	—	0.72	0.23	2.44	0.04	—	0.05	440.24	1,112.77
—	—	—	—	—	—	—	—	—	^
—	—	—	—	—	—	—	—	79.07	104.71
—	—	—	—	—	—	—	—	2.01	2.00
—	—	—	—	—	—	—	—	0.01	8.05
—	—	—	—	—	—	—	—	2.06	3.01
—	—	—	—	—	—	—	—	0.02	0.25
—	—	0.06	—	—	—	—	—	0.06	—
—	—	0.06	0.02	—	—	—	—	0.06	0.02
—	—	0.02	—	—	—	—	—	0.02	—
—	—	—	—	—	—	69.33	60.00	69.33	60.00
—	—	—	0.01	0.21	0.08	1.63	0.02	2.31	1.34
—	—	0.14	0.03	0.21	0.08	70.96	60.02	154.95	179.38

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Nature of Transactions	Name of the Related Party	Holding Company/ Controlling Entity **		Fellow Subsidiary Companies	
		Current Year	Previous Year	Current Year	Previous Year
Personnel Expenses	Kotak Mahindra Bank Limited	858.30	339.08	—	—
<b>Personnel Expenses Total</b>		<b>858.30</b>	<b>339.08</b>	<b>—</b>	<b>—</b>
Expense Reimbursement to other Companies	Kotak Mahindra Bank Limited	2,712.10	2,247.47	—	—
	Kotak Mahindra Capital Company Limited	—	—	348.80	224.42
	Kotak Mahindra International Limited	—	—	196.91	—
<b>Expense Reimbursement by other Companies Total</b>		<b>2,712.10</b>	<b>2,247.47</b>	<b>545.71</b>	<b>224.42</b>
Expense Reimbursement by other Companies	Kotak Mahindra Capital Company Limited	—	—	360.97	312.50
	Kotak Mahindra Securities Limited	—	—	78.26	85.92
	Kotak Mahindra Bank Limited	10.55	20.32	—	—
	Kotak Forex Brokerage Limited	—	—	0.10	0.20
	Kotak Mahindra Asset Management Company Limited	—	—	1.45	1.37
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	1.17	4.64
	Kotak Commodity Services Limited	—	—	—	—
	Kotak Mahindra Mutual Fund	—	—	—	9.07
<b>Expense Reimbursement by other Companies Total</b>		<b>10.55</b>	<b>20.32</b>	<b>441.95</b>	<b>413.70</b>
Other Expenses	Kotak Mahindra Bank Limited	154.25	639.54	—	—
	Kotak Mahindra Asset Management Company Limited	—	—	180.15	56.76
	Kotak Mahindra Capital Company Limited	—	—	369.33	241.32
	Kotak Mahindra Investments Limited	—	—	—	0.55
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	1.10	8.83
	Kotak Mahindra Prime Limited	—	—	19.49	15.63
	Others	8.24	8.24	—	—
<b>Other Expenses Total</b>		<b>162.49</b>	<b>647.78</b>	<b>570.07</b>	<b>323.09</b>
Other Income	Kotak Mahindra Bank Limited	2.32	49.37	—	—
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	142.87	31.26
	Kotak Mahindra Asset Management Company Limited	—	—	7.15	6.67
<b>Other Income Total</b>		<b>2.32</b>	<b>49.37</b>	<b>150.02</b>	<b>37.93</b>
Sale of Fixed Asset	Kotak Mahindra Bank Limited	5.49	0.70	—	—
	Kotak Mahindra Capital Company Limited	—	—	—	12.05
	Others	—	—	—	1.67
<b>Sale of Fixed Asset Total</b>		<b>5.49</b>	<b>0.70</b>	<b>—</b>	<b>13.72</b>
Purchase of Fixed Asset	Kotak Mahindra Bank Limited	—	1.73	—	—
<b>Purchase of Fixed Asset Total</b>		<b>—</b>	<b>1.73</b>	<b>—</b>	<b>—</b>
Remuneration to Key Management Personnel *	Alroy Lobo	—	—	—	—
	D Kannan	—	—	—	—
	Falguni Nayar	—	—	—	—
	Narayan S A	—	—	—	—
	Shivaji Dam	—	—	—	—
<b>Remuneration to Key Management Personnel * Total</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Director Sitting Fees	Shivaji Dam	—	—	—	—
<b>Director Sitting Fees Total</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Venture in respect of which the Reporting Enterprise is an Associate	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel/Relatives thereof are having Significant Influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
—	—	—	—	—	—	—	858.30	339.08
—	—	—	—	—	—	—	858.30	339.08
—	—	—	—	—	—	—	2,712.10	2,247.47
—	—	—	—	—	—	—	348.80	224.42
—	—	—	—	—	—	—	196.91	—
—	—	—	—	—	—	—	3,257.81	2,471.89
—	—	—	—	—	—	—	360.97	312.50
—	—	—	—	—	—	—	78.26	85.92
—	—	—	—	—	—	—	10.55	20.32
—	—	—	—	—	—	—	0.10	0.20
—	—	—	—	—	—	—	1.45	1.37
—	—	—	—	—	—	—	1.17	4.64
—	—	—	—	—	—	19.59	10.52	19.59
—	—	—	—	—	—	—	—	9.07
—	—	—	—	—	—	19.59	10.52	472.09
—	—	—	—	—	—	—	154.25	639.54
—	—	—	—	—	—	—	180.15	56.76
—	—	—	—	—	—	—	369.33	241.32
—	—	—	—	—	—	—	—	0.55
—	—	—	—	—	—	—	1.10	8.83
—	—	—	—	—	—	—	19.49	15.63
—	—	—	—	—	—	65.06	62.10	73.30
—	—	—	—	—	—	65.06	62.10	797.62
—	—	—	—	—	—	—	2.32	49.37
—	—	—	—	—	—	—	142.87	31.26
—	—	—	—	—	—	—	7.15	6.67
—	—	—	—	—	—	—	152.34	87.30
—	—	—	—	—	—	—	5.49	0.70
—	—	—	—	—	—	—	—	12.05
—	—	—	—	—	—	—	0.51	2.18
—	—	—	—	—	—	—	0.51	5.49
—	—	—	—	—	—	—	—	1.73
—	—	—	—	—	—	—	—	1.73
—	—	372.56	275.04	—	—	—	372.56	275.04
—	—	239.00	—	—	—	—	239.00	—
—	—	—	26.26	—	—	—	—	26.26
—	—	378.91	305.03	—	—	—	378.91	305.03
—	—	—	—	—	—	—	—	—
—	—	990.47	606.33	—	—	—	990.47	606.33
—	—	0.20	—	—	—	—	0.20	—
—	—	0.20	—	—	—	—	0.20	—

## Schedules Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Nature of Transactions	Name of the Related Party	Holding Company/ Controlling Entity **		Fellow Subsidiary Companies	
		Current Year	Previous Year	Current Year	Previous Year
<b>OTHER OUTSTANDINGS</b>					
Receivable	Kotak Mahindra Bank Limited	4.52	1.85	—	—
	Kotak Mahindra Capital Company Limited	—	—	583.01	664.91
	Kotak Mahindra Asset Management Company Limited	—	—	0.04	1.87
	Kotak Mahindra Investments Limited	—	—	—	0.31
	Kotak Mahindra Securities Limited	—	—	31.78	64.01
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	5.65	8.05
	Kotak Commodity Services Limited	—	—	—	—
	Others	—	—	—	—
<b>Receivable Total</b>		<b>4.52</b>	<b>1.85</b>	<b>620.48</b>	<b>739.15</b>
Payable	Kotak Mahindra Bank Limited	80.10	742.17	—	—
	Kotak Mahindra Capital Company Limited	—	—	116.20	56.49
	Kotak Mahindra International Limited	—	—	64.25	—
	Kotak Mahindra Old Mutual Life Insurance Limited	—	—	—	3.90
	Kotak Mahindra Asset Management Company Limited	—	—	61.60	—
	Alroy Lobo	—	—	—	—
	Narayan S A	—	—	—	—
	Shivaji Dam	—	—	—	—
	D Kannan	—	—	—	—
	Aero Agencies Private Limited	—	—	—	—
<b>Payable Total</b>		<b>80.10</b>	<b>742.17</b>	<b>242.05</b>	<b>60.39</b>

\*\* Guarantees given on behalf of Company- Rs. 1,500 Lacs (Previous Year Rs. 1,500 Lacs)

\* Excludes provision for gratuity, since this is based on actuarial valuation done on an overall company basis

# Includes transactions/income in respect of Kotak Mahindra Venture Capital Fund sponsored by fellow subsidiary Kotak Mahindra Trusteeship Services Limited (Formerly known as Kotak Mahindra Private Equity Trustee Limited)

^ Amount less than Rs. 500

## Schedules forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

Venture in respect of which the Reporting Enterprise is an Associate	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel/Relatives thereof are having Significant Influence		Total			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year		
	—	—	—	—	—	—	4.52	1.85		
	—	—	—	—	—	—	583.01	664.91		
	—	—	—	—	—	—	0.04	1.87		
	—	—	—	—	—	—	—	0.31		
	—	—	—	—	—	—	31.78	64.01		
	—	—	—	—	—	—	5.65	8.05		
	—	—	—	—	—	25.78	66.65	25.78	66.65	
	—	—	—	—	—	0.03	—	—	0.03	
	—	—	—	—	—	0.03	25.78	66.65	650.78	807.68
	—	—	—	—	—	—	—	80.10	742.17	
	—	—	—	—	—	—	—	116.20	56.49	
	—	—	—	—	—	—	—	64.25	—	
	—	—	—	—	—	—	—	—	3.90	
	—	—	—	—	—	—	—	61.60	—	
	—	—	210.00	200.00	—	—	—	210.00	200.00	
	—	—	200.00	198.00	—	—	—	200.00	198.00	
	—	—	0.10	—	—	—	—	0.10	—	
	—	—	160.00	—	—	—	—	160.00	—	
	—	—	—	—	—	—	3.76	5.53	3.76	5.53
	—	—	570.10	398.00	—	—	3.76	5.53	896.01	1,206.09

## Schedules forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### 26. Balance Sheet Abstract and Company's General Business Profile:

Registration Number	:	U 99999 MH 1994 PLC 134051
State Code	:	11
Balance Sheet Date	:	31/03/2007
<b>Capital raised during the period</b>		<b>Amount in Rs. '000</b>
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
<b>Position of Mobilization and Deployment of Funds</b>		<b>Amount in Rs. '000</b>
Total Liabilities	:	13,797,238
Total Assets	:	21,305,243
<b>Source of Funds</b>		
Paid-up Capital	:	16,000
Reserves and Surplus	:	7,492,005
Secured Loans	:	302,301
Unsecured Loans	:	5,770,194
<b>Application of Funds</b>		<b>Amount in Rs. '000</b>
Net Fixed Assets	:	420,970
Investments	:	3,406,225
Deferred Tax (net)	:	98,927
Net Current Assets	:	9,654,378
Miscellaneous Expenditure	:	—
Accumulated Losses	:	Nil
<b>Performance of Company</b>		<b>Amount in Rs. '000</b>
Turnover / Other Income	:	8,339,326
Total Expenditure	:	4,688,112
Profit before Tax	:	3,651,214
Profit after Tax	:	2,557,142
Earnings per share (in Rs.)	:	1,598.21
Dividend Rate (%)	:	0%
<b>Generic Names of Three Principal Products/Services of Company</b>		
Item Code No.	:	N.A.
Product Description	:	Broking, Depository Services, Proprietary Trading, Portfolio Management Services, Mobilisation of Deposits and Marketing of Public Issues.

27. During the year, the Strategic Alliance Agreement between Goldman Sachs Mauritius LLC (which held 25% of equity shares of the Company), Kotak Mahindra Bank Limited, Uday S. Kotak and others was terminated. Goldman Sachs Mauritius LLC sold its holding in the Company to Kotak Mahindra Capital Company Limited. Furthermore, the Company purchased 990,015 shares of Kotak Mahindra Capital Company Limited (representing 25% of the equity shares of the Company) during the year at a consideration of Rs. 21,000 Lacs.

28. Figures for the previous year have been regrouped wherever necessary to conform to current year's classifications. The Schedules referred to above and the attached notes form an integral part of the financial statements.

Signatures to Schedules 1 to 20 forming part of the financial statements and to the above notes.

For and on behalf of the Board of Directors

K. H. VACHHA  
Partner  
Membership No. F30798

Sandeep Chordia  
Company Secretary

Uday S. Kotak  
Chairman

For and behalf of  
PRICE WATERHOUSE  
Chartered Accountants

Narayan S. A.  
Managing Director

Alroy Lobo  
Managing Director Institutional Equities

Mumbai, Dated: 2nd May, 2007