

Kotak Mahindra Prime Limited
Annual Report 2016-17



**CHANGING
WITH INDIA.
FOR INDIA.**



DIRECTORS' REPORT

To the Members of

KOTAK MAHINDRA PRIME LIMITED

The Directors present their Twenty First Annual Report together with audited accounts of your Company for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

	₹ in Lakh	
	Year ended 31st March 2017	Year ended 31st March 2016
Gross Income	292,214.89	276,156.48
Profit before Depreciation and Tax	79,066.37	77,531.09
Depreciation	286.76	267.31
Profit before Tax	78,779.61	77,263.78
Provision for Tax	27,304.30	27,032.55
Profit after Tax	51,475.31	50,231.23
Balance of Profit from previous years	253,850.24	213,703.29
Amount available for appropriation	305,325.55	263,934.52
Appropriations:		
Interim / Proposed Dividend on Preference Shares	0.41	10.00
Proposed Dividend on Equity Shares	-	20.97
Corporate Dividend Tax	0.08	6.31
Special Reserve u/s 45IC of the RBI Act, 1934.	10,296.00	10,047.00
Capital Redemption Reserve	100.00	-
Surplus carried forward to the Balance Sheet	294,929.06	253,850.24

DIVIDEND

The Directors recommend Dividend on Equity Shares @₹0.60 per equity share (Previous Year: ₹0.60 per equity share). Interim Dividend paid on Redeemable, Non- Cumulative Non-Convertible Preference Shares @₹1 per share for proportionate period (Previous Year: ₹1 per share).

DEBENTURES

Pursuant to various circulars issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) from time to time, the Company continues to issue debentures on private placement basis and list mostly all debentures issued, on the Bombay Stock Exchange Limited under Information Memorandums issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001 as Debenture Trustees to the issues.

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio (CRAR) of your Company as on 31st March 2017 was at 17.20 %.

CREDIT RATING

The Company's long-term borrowings rating continued to be "AAA" (with Stable Outlook) by CRISIL and ICRA. The Company's Tier II Subordinated Debts continued to be dual rated by CRISIL and ICRA, with a rating of "AAA" (with Stable Outlook).

During the year, the Company requested for surrender of the "AAA" rating assigned by Ind-RA as there was no outstanding instrument under the same. The rating was withdrawn w.e.f. 29th December, 2016.

The Company's short-term borrowing program rated by CRISIL and ICRA continued to enjoy the highest rating of "A1+".

Standard & Poor's long term issuer credit rating continued to be "BBB-"(with Stable Outlook) and short term issuer credit rating continued to be "A-3"(with Stable Outlook) .

The assessment of your Company's risk profile by the rating agencies strengthens the confidence placed by a large pool of investors in your Company.

AAA indicates highest degree of safety regarding timely servicing of financial obligations and carries a very low credit risk.

FINANCE

Your Company continues to be a "Non- Deposit Accepting – Asset Financing" company. It has well diversified and large pool of lenders comprising of Public Sector Banks, Private and MNC Banks, Mutual Funds, Insurance Companies, Pension Funds, Financial Institutions, Foreign Institutional Investors (FII) and Corporates. Your Company introduced new investors during the year and continued to borrow through instruments like Debentures (NCDs), Commercial papers, etc. Further Asset Liability Management continues to be focus of your Company.

During the financial year 2016-17 the growth and growth expectations in the economy remained modest with Gross Value Added (GVA) growth expected to be at about 6.7%. With RBI's GVA growth(y-o-y) projected in the range of 7.2% to 7.4% for FY 2018, India will be a bright spot in the global economy.

The RBI adjusted policy rates downwards, by cumulative 50 bps for repo and cumulative 25bps for reverse repo during the year to 6.25% & 6.00% respectively. Going forward, RBI expects CPI inflation to average 4.50% in the first half of the year and 5% in the second half of 2017-18. Possibility of a weaker than expected monsoon, relatively higher global commodity prices, higher wages on account of implementation of the 7th Pay Commission, and implementation of GST may result in upside risks to inflation.

Currently the overall systemic liquidity is flushed with surplus on account of demonetization. However RBI is committed to revert the system liquidity to a position of neutrality from the current surplus position. This may put upward pressure on the interest rate in the market.

On the global front, the previous year saw volatility on account of various events like the outcome of Brexit and USA elections and its geopolitical impact, US Fed rate hike and its future trajectory and upward movement in commodity prices. The US Fed rate hike in the upcoming year will largely be dependent on their domestic data and other global factors.

Your Company with its strong treasury philosophies and practices is well geared to meet the challenges of a dynamic interest rate and liquidity environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Company Business

Your Company is primarily into car finance, engaged in financing of retail customers of passenger cars and multi-utility vehicles and inventory and term funding to car dealers. Your Company finances new and used cars under retail loan, hire purchase and lease contracts.

The main streams of income for your Company are retail income, dealer finance income and fee based income. Your Company also receives income from loans against securities, securitization / assignment transactions, purchase of non- performing assets, personal loans, corporate loans and developer funding. The major expenses for your Company are interest expense, business sourcing expense and cost of running operations.

During the Financial Year 2016-17, your Company's retail vehicle disbursements were at ₹875,948 lac as against ₹829,976 lac in the previous year. During the year under review, gross advances stood at ₹2,524,683 lac as against ₹2,234,805 lac in the previous year.

Your Company continued to focus on cost control and credit losses, while improving its positioning in the car finance market by scaling up the business.

As detailed in the 'Financial Results' section above, Gross Income of your Company increased from ₹276,156.48 lac in 2015-16 to ₹292,214.89 lac in 2016-17. Profit before Tax was at ₹78,779.61 lac in 2016-17 as compared to ₹77,263.78 lac in 2015-16. The credit loss ratio of your Company was at 0.36% in a very challenging year.

Segment wise performance

The Company has identified segments as Vehicle Financing, Other Lending activities and Treasury and Investments.

Vehicle Finance includes Retail and Wholesale trade finance and the segment result is Profit before tax of ₹ 48,133.05 lac. Other Lending activities include financing against securities, securitization, debenture investment / lending in commercial real estate and other loan / fee based services and the segment result is Profit before tax of ₹ 27,234.32 lac. Treasury and Investment activities include proprietary trading in shares and the segment result is Profit before tax of ₹ 3,412.24 lac.

Industry Scenario

The passenger car market in India saw a growth of 8.2% for the Financial Year 2016-17 as compared to a growth of 8.2% for 2015-16. Total unit sales of cars and MUV's crossed 30.18 lac units in financial year 2016-17.

Prospects

Passenger car sales are likely to grow in the range of 7-8%. Your Company has, carved out a niche for itself in the car-financing segment focusing on distribution and relationship management across manufacturers, dealers, channel partners and customers. Fee based income is an important initiative of your Company. Dedicated infrastructure is in place to give a further impetus to the growth of fee based income with a twin objective of offering value added services to customers and leveraging the large existing customer database to generate further fee based income.

Customer knowledge, easy accessibility through its wide network of branches and a firm commitment to deliver superior customer service are key drivers for your Company's performance.

Internal Controls

The Internal Audit department of Kotak Mahindra Bank Limited regularly conducts a review to assess the financial and operating controls at various locations of your Company including Head Office functions and at branches. Reports of the audits conducted by the Internal Audit department are presented to the Audit Committee. Representatives of the statutory auditors are permanent invitees to the Audit Committee.

Human Resources

The Company is professionally managed with key management personnel having relatively long tenure with the Company. Your Company follows a policy of building strong teams of talented professionals. Your Company encourages and facilitates long term careers with your Company through carefully designated management development programs and performance management systems. The total number of on roll employees was 881 at end of March 31, 2017.

Information Technology

Your Company uses "ORACLE" as its Financial system and the operating system 'CORE' which is owned and managed by Kotak Mahindra Bank Limited and is used for its retail assets division since 2003. The CORE system has the latest technology platform and also has capacity to scale based on business requirements. The modular nature of the system supports efficiency in operations coupled with strong systems and operational controls. The system is robust to cater to efficient customer service and support marketing initiatives at reasonable cost.

Cautionary Note

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as may be required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Your Company does not undertake to update these statements.

DIRECTORS' & KEY MANAGERIAL PERSONNEL

Changes in Directors during the year

The Board of Directors of the Company at its meeting held on 9th December 2016 appointed Mr. Vyomesh Kapasi (DIN: 07665329), as an Additional Director of the Company. Further, the Board also appointed Mr. Kapasi as a Managing Director of the Company for a period of two years with effect from 9th December 2016, subject to the approval of the Members at the General Meeting. The approval of the Members is being sought at the ensuing Annual General Meeting.

Mr. Vyomesh Kapasi aged 51 years is a Commerce graduate having 30 years of vast experience in the field of retail assets and auto finance, of which 23 years have been with the Kotak Group. Mr. Kapasi Joined Kotak Mahindra Finance Ltd. in August 1994. In April 2011, Mr. Kapasi was promoted as Executive Vice President and moved back to Kotak Mahindra Prime Ltd as Chief Executive Officer in June 2011. Mr. Vyomesh Kapasi, prior to his appointment as a Managing Director of the Company was functioning as a Chief Executive Officer & Manager of the Company under the Companies Act, 2013.

Mr. Dipak Gupta (DIN: 00004771) resigned as a Director of the Company with effect from 9th December 2016. Your Directors place on record their appreciation for the valuable advice and guidance rendered by Mr. Gupta during his tenure as a Director of the Company.

Directors retiring by rotation during the year

Mr. Narayan S.A. (DIN: 00007404), Director, retires by rotation at the Twenty First Annual General Meeting and being eligible, has offered himself for re-appointment.

Declaration from Independent Directors

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

Board Evaluation

The Nomination and Remuneration Committee of the Company's Board has formulated the criteria for performance evaluation of the Directors and the Board as a whole. The Criteria formulated broadly covers the Board role, Board/Committee membership, practice & procedure and collaboration & style.

In line with the SEBI Guidance Note on Board Evaluation, a Board effectiveness assessment questionnaire was designed for the performance evaluation of the Board, its Committees, Chairman and individual directors in accordance with the criteria set and covering various aspects of performance including composition, relationship among directors, director competency, contribution to risk management compliance, roles and responsibility, board procedures, processes, functioning and effectiveness. The said questionnaire was circulated to all the directors of the Company for the annual performance evaluation.

Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, Chairman and the individual Directors, a summary of the Board Evaluation was placed before the meeting of the Independent Directors for consideration. Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

Cessation of Manager

Consequent to the appointment of Mr. Vyomesh Kapasi as a Managing Director of the Company, he ceased to be a Manager of the Company with effect from 9th December 2016.

Key Managerial Personnel (KMPs)

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Vyomesh Kapasi, Managing Director and Mr. Harish Shah, Chief Financial Officer and Company Secretary, are the Key Managerial Personnel of the Company.

Appointment & Remuneration of Directors and KMPs

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated criteria for appointment of Senior Management personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management personnel. The Committee considers the qualifications, experience, fit & proper status, positive attributes as per the suitability of the role and independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

The Board has adopted a Remuneration Policy for the Whole-time Directors, Chief Executive Officer and other employees of the Company. The Policy is in line with the Compensation Policy of Kotak Mahindra Bank Ltd., its holding company, which is based on the Guidelines issued by Reserve Bank of India. The salient features of the Remuneration Policy are as follows:

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals.
- Applicable to all employees of the Company. Employees classified into 3 groups:
 - o Whole-time Directors/Chief Executive Officer
 - o Risk, Operations & Support Staff
 - o Other categories of Staff
- Compensation structure broadly divided into Fixed, Variable and ESOPs
 - o Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits
 - o Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to Bank budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights.
 - o ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.

- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification.
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a compensation policy for the Independent Directors (IDs) of the Company. The salient features of the Compensation Policy are as follows:

- Compensation structure broadly divided into:
 - o Sitting fees
 - o Re-imburement of expenses
 - o Commission (profit based)
- Amount of sitting fees and commission to be decided by the Board from time to time, subject to the regulatory limits.
- IDs not eligible for any stock options of Kotak Mahindra Bank Ltd., the Company's holding company.

At the Annual General Meeting of the Company held on 29th April 2016, the shareholders approved the payment of commission to the IDs of the Company.

Remuneration to the KMPs i.e. Managing Director, Chief Financial Officer and the Company Secretary, is as per the terms of their employment.

Number of Board Meetings

During the year, 15 meetings of the Board of Directors were held.

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees for the financial year:

Name	Title	Ratio	Ratio excluding SARs
Mr. Vyomesh Kapasi *	Managing Director	22.59x	18.40x

* Refer Note 1

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Director/KMP	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Vyomesh Kapasi *	Managing Director	9.83%	15.57%
Mr. Harish Shah	CFO & CS	4.79%	9.96%

* Refer Note 1

3. Percentage increase in the median remuneration of employees in the financial year:

7.93% considering employees who were in employment for the whole of FY 2015-16 and FY 2016-17.

4. Number of permanent employees on the rolls of Company at the end of the year: 881

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

For employees other than managerial personnel who were in employment of FY 2015-16 and FY 2016-17 the average increase is 11.78% and 13.11% excluding SARs.

Average increase for managerial personnel is 7.67% and 13.76% excluding SARs.

6. Affirmation that the remuneration is as per the remuneration policy of the Bank:

The Company is in compliance with its Remuneration Policy.

Notes:

- 1) Mr. Vyomesh Kapasi who was a Manager & CEO of the Company was appointed as a Managing Director with effect from 9th December 2016.
- 2) The Independent Directors of the Company receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of an annual profit based commission. Such annual profit based commission was paid for the first time for FY 2015-16 during FY 2016-17.
- 3) Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. However, it does not include value of Stock Options.
- 4) Stock Appreciation Rights (SARs) are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the stock of Kotak Mahindra Bank Ltd. on specified value dates. Cash paid out during the year is included for the purposes of remuneration.

COMMITTEES

(a) AUDIT COMMITTEE

The Audit Committee presently consists of Mr. Narayan S.A., Prof. S. Mahendra Dev and Mr. Chandrashekhar Sathe. The quorum comprises of any two members.

During the financial year ended 31st March 2017, 6 meetings of the Committee were held.

The First Tier Audit Committee currently comprises of Mr. Narayan S.A., Mr. Vyomesh Kapasi and Mr. Harish Shah. The Committee screens the matters entrusted to the Audit Committee and also the routine matters such as overseeing the programme of inspections and compliance of inspection reports.

(b) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee presently comprising of Mr. Narayan S.A., Prof. S. Mahendra Dev and Mr. Chandrashekhar Sathe. The quorum comprises of any two members.

During the financial year ended 31st March 2017, 3 meetings of the Committee were held.

(c) COMMITTEE OF THE BOARD OF DIRECTORS

The Committee of the Board of Directors presently consists of Mr. Narayan S.A., Ms. Shanti Ekambaram and Mr. Vyomesh Kapasi. The quorum comprises of any two members. The Committee looks into the routine transactions of Company which inter alia include authorizing opening, operation & closure of bank accounts of the Company, authorizing officials of the Company to execute various documents/agreements, issuing power of attorney for representing the Company in various Courts of Law and before various Statutory Authorities and borrowing of money within the delegated limit.

During the financial year ended 31st March 2017, 14 meetings of the Committee were held.

(d) RISK MANAGEMENT COMMITTEE

The Tier II level (supervisory level) Risk Management Committee presently consists of Mr. Narayan S.A., Ms. Shanti Ekambaram and Mr. Chandrashekhar Sathe. The quorum comprises of any two members. It reviews the adequacy of the risk management process and up-gradation thereof.

During the financial year ended 31st March 2017, 4 meetings of the Tier II level Committee were held.

(e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of Mr. Narayan S.A., Mr. Vyomesh Kapasi and Mr. Chandrashekhar Sathe, with any two members forming the quorum.

During the financial year ended 31st March 2017, 2 meetings of the Committee were held.

(f) CREDIT COMMITTEE

The Credit Committee (Board) presently consists of Mr. Narayan S.A. and Ms. Shanti Ekambaram. The quorum comprises of both the members. The Committee scrutinizes and approves credit proposals above such limit as specified in the Approval Authorities from time to time.

During the financial year ended 31st March 2017, 9 meetings of the Committee were held.

AUDITORS

The Company's auditors Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, retire at the Twenty First Annual General Meeting (AGM). As per second proviso to Section 139(2) of the Companies Act, 2013, a transition period of three years from the commencement of the Act is provided to appoint a new auditor if the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, in terms of the said requirement of the Act, Price Waterhouse Chartered Accountant LLP (Firm Registration no. 012754N/N500016) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of the Twenty First AGM until the conclusion of the Twenty Sixth AGM, subject to ratification by members every year, as applicable, in place of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants.

Price Waterhouse Chartered Accountant LLP have consented to the said appointment and confirmed that their appointment, if made, would be within limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of Price Waterhouse Chartered Accountant LLP, as statutory auditors of the Company from the conclusion of the Twenty First AGM until the conclusion of the Twenty Sixth AGM, to the shareholders. You are requested to appoint them and fix their remuneration.

INTERNAL FINANCIAL CONTROLS

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

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts under clause no.27.4

The Company's Policy on dealing with Related Party Transactions is available on the Company's website www.carloan.kotak.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

WHISTLE BLOWER POLICY & VIGIL MECHANISM

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

The Whistle Blower Policy is also put up on the Company's website www.carloan.kotak.com

CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility (CSR) Committee and the same presently consists of the following Directors:

- Mr. Chandrashekhar Sathe, Independent Director
- Mr. Narayan S.A., Non-Executive Director
- Mr. Vyomesh Kapasi, Managing Director

Your Company's CSR Committee drives the CSR programme of the Company. Your Company has a Board approved CSR policy, charting out its CSR approach. This policy articulates the Company's aim to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. The Company's CSR agenda is driven by its key focus areas:

- a. Promoting education – prime focus area
- b. Enhancing vocational skills and livelihood
- c. Promoting preventive healthcare and sanitation
- d. Reducing inequalities faced by socially and economically backward groups
- e. Sustainable development
- f. Relief and rehabilitation
- g. Clean India
- h. Sports

The Company's CSR policy is available on the Company's website viz. www.carloan.kotak.com

Pursuant to the provisions of Section 135, Schedule VII of the Companies Act 2013 (the Act), read with the Companies (Corporate Social Responsibility) Rules, 2014 the report of the expenditure on CSR by the Company is as under:

The average net profit u/s 198 of the Company for the last three financial years preceding March 31, 2017 is ₹ 766.08 crore.

The prescribed CSR expenditure required u/s 135, of the Act for FY 2016-17 is ₹15.32 crore.

The CSR expenditure incurred for the period 1st April 2016 to 31st March 2017 under Section 135 of Companies Act, 2013 amounts to ₹ 2.00 crore as against ₹2.01 crore CSR spend in the financial year 2015-16. The unspent amount for FY 2016-2017 is ₹13.32 crore.

CSR expenditure of ₹2.00 crore in FY 2016-17 as a percentage of average net profit u/s 198 of the Company at ₹ 766.08 crore is 0.26%

The Company has been spending on CSR focused themes and programmes, which have been approved by the Board CSR Committee and the Board. The CSR spending is guided by the vision of creating long-term benefit to the society. The Company is building its CSR capabilities on a sustainable basis and is committed to gradually increase its CSR spend in the coming years.

The details of the CSR activities and spends under Section 135 of the Companies Act, 2013 for FY 2016-2017 are annexed to this Report.

RISK MANAGEMENT POLICY

Your Company manages risk, based on Risk Management framework, governance structure and policies which lays down guidelines in identifying, assessing and managing risks.

Further, to facilitate better enterprise wise risk management, a Risk management committee (RMC) has been constituted. This RMC meetings are conducted on quarterly basis and is responsible for review of risk management practices covering credit risk, operations risk, liquidity risk, market risk and other risks including capital adequacy with a view to align the same to the risk strategy & risk appetite of the company.

Your Company has qualified Credit officer's at all major locations who appraise and approve retail car finance proposals that are generated at branches and representative offices. Credit officers have pre-approved limits for each location, beyond which the proposal is forwarded to Head office, Risk Management for senior management approval. Your Company uses various tools like field investigations, credit score card, CIBIL score, asset tenure matrix to ensure high quality portfolio.

Your Company maintains stringent policies and procedures to ensure controls over various functions of Head office & Branches. There are periodic independent reviews and monitoring of operating controls as defined in the company's operating manual.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March 2017 is annexed to this Report.

EMPLOYEES

The employee strength of your Company was eight hundred eighty one (881) as of 31st March 2017.

Three employees employed throughout the year and Nil employees employed for part of the year were in receipt of remuneration of ₹102 lacs or more per annum.

As required by the Sexual Harrasment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated a Policy on Sexual Harrasment of Women at Workplace (Prevention, Prohibition & Redressal). The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

No. of complaints received : 1

No. of complaints disposed off : 0

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Company during the business hours on working days.

DEPOSIT

The Company did not accept any deposits from the public during the year. Also, there are no deposits due and outstanding as on 31st March 2017.

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

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

During the year, the Company had foreign exchange inflow of ₹ Nil (Previous Year: ₹ Nil) while the outgo of foreign exchange was ₹ 24.61 lac (Previous Year: ₹ 21.06 lac).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the profit of the Company for the financial year ended 31st March 2017;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

Following statements/documents/reports are set out as Annexures to the Directors' Report:

- (a) Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014. (Annexure – A).
- (b) Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013. (Annexure – B)
- (c) Report on CSR activities pursuant to the provisions of Section 135(4)(a) of the Companies Act, 2013, read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (Annexure – C)

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Government and Regulatory agencies. The Directors thank the shareholders, dealers and their staff for the strong support that they have continued to extend to your Company. The Board also takes this opportunity to place on record its appreciation of the outstanding performance and dedication of your Company's employees at all levels, without whose commitment, the achievement of results as indicated above could not have been possible. The Board also acknowledges the faith reposed in the Company by the Company's lending institutions.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 21st April 2017

Uday Kotak
Chairman

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67200MH1996PLC097730
ii)	Registration Date	28th February 1996
iii)	Name of the Company	Kotak Mahindra Prime Limited
iv)	Category / Sub-Category of the Company	Non Banking Financial Company
v)	Address of the Registered office and contact details	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Tel No. : (022) 61660000 Fax No.: (022) 67132403
vi)	Whether listed company Yes / No	Yes (Only non-convertible debentures are listed under the debt market segment)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West) Mumbai - 400078 Tel : (022) 25946970

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vehicle Finance, Loans against securities / collaterals	64920	83

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Holding Company					
1	Kotak Mahindra Bank Ltd. 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	L65110MH1985PLC038137	Holding	51.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1,224,400	488,200	1,712,600	49.00	1,224,400	488,200	1,712,600	49.00	0.00
e) Banks/FI	-	1,782,600	1,782,600	51.00	-	1,782,600	1,782,600	51.00	0.00
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	1,224,400	2,270,800	3,495,200	100.00	1,224,400	2,270,800	3,495,200	100.00	0.00
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (2)	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,224,400	2,270,800	3,495,200	100.00	1,224,400	2,270,800	3,495,200	100.00	0.00
B. Public Shareholding as per classification given by Depository									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
Foreign Bank	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,224,400	2,270,800	3,495,200	100.00	1,224,400	2,270,800	3,495,200	100.00	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KOTAK MAHINDRA BANK LTD.	1,782,520	51.00	0	1,782,520	51.00	0.00	0.00
2	NOMINEES OF KOTAK MAHINDRA BANK LTD. (JOINTLY HOLDING WITH KOTAK MAHINDRA BANK LTD.)							
	Mr. C Jayaram	5	0.00	0	5	0.00	0.00	0.00
	Mr. Narayan S.A	20	0.00	0	20	0.00	0.00	0.00
	Mr. Dipak Gupta	15	0.00	0	15	0.00	0.00	0.00
	Mr. Jaimin Bhatt	5	0.00	0	5	0.00	0.00	0.00
	Mr. Cyril Shroff	20	0.00	0	20	0.00	0.00	0.00
	Mr. T.V. Raghunath	15	0.00	0	15	0.00	0.00	0.00
3	KOTAK SECURITIES LIMITED (subsidiary of Kotak Mahindra Bank Ltd.)	1,712,600	49.00	0	1,712,600	49.00	0.00	0.00
	Total	3,495,200	100.00	0	3,495,200	100.00	0.00	0.00

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares
DIRECTORS									
	(Holding shares as nominee of Kotak Mahindra Bank Ltd. jointly with Kotak Mahindra Bank Ltd.)								
1	Narayan S.A.	20	0.00	-	-	-	31-03-2016	20	0.00
							31-03-2017	20	0.00
	KEY MANAGERIAL PERSONNEL					NIL			

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,439,716.62	464,154.97	-	1,903,871.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53,175.08	2,864.58	-	56,039.66
Total (i+ii+iii)	1,492,891.70	467,019.55	-	1,959,911.25
Change in Indebtedness during the financial year				
• Addition	2,563,462.13	3,276,958.42	-	5,840,420.56
• Reduction	2,453,422.43	3,118,800.00	-	5,572,222.43
Net Change	110,039.70	158,158.42	-	268,198.13
Indebtedness at the end of the financial year				
i) Principal Amount	1,549,756.32	622,313.39	-	2,172,069.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	58,597.65	2,902.16	-	61,499.80
Total (i+ii+iii)	1,608,353.97	625,215.55	-	2,233,569.52

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Vyomesh Kapasi (Managing Director)	
1.	Gross salary *		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	159.57	159.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 @	162.47	162.47
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	Cost included in 1(b) above	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit		
	- Others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	322.04	322.04
	Ceiling as per the Act **		

Notes:

@ The perquisite value towards stock options includes the difference between exercise price & market price on the date of exercise. The same amounting to ₹ 160.28 lacs for Mr. Vyomesh Kapasi is not paid by the Company.

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

** Remuneration payable to the Manager shall not exceed 5% of the net profit of the Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Prof. S. Mahendra Dev	Chandrashekhar Sathe	
1	Independent Directors			
	Fee for attending board / committee meetings	6.80	7.00	13.80
	Commission *	3.00	3.00	6.00
	Others, please specify			
	Total (1)	9.80	10.00	19.80
2	Other Non-Executive Directors	NIL		
	Fee for attending board committee meetings			
	Commission			
	Others - Remuneration			
	Total (2)	-	-	-
	Total (B)=(1+2)			19.80
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

* Commission pertaining to FY 2015-16 paid during FY 2016-17

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1.	Gross salary *		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	106.80	106.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23.45	23.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option @	Cost included in 1(b) above	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit		
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total	130.25	130.25

Notes:

@ The perquisite value towards stock options includes the difference between exercise price & market price on the date of exercise. The same amounting to ₹23.36 lacs for CFO & CS is not paid by the Company.

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,
The Members,

KOTAK MAHINDRA PRIME LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Mahindra Prime Limited** (hereinafter called the "**Company**").

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

Based on my verification of the **Kotak Mahindra Prime Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kotak Mahindra Prime Limited** for the financial year ended on 31st March 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings **(Not Applicable)**;
5. The laws prescribed under Securities and Exchange Board of India Act, 1992 to the extent applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not Applicable)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable)** and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs;
7. Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

8. Prevention of Money Laundering Act, 2002 and the rules made thereunder;
9. Other laws to the extent applicable to the Company as per the representations made by the Company;

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

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

Companies Act 2013

1. *The Company has incurred a total expenditure of Rupees Two Crores Only towards Corporate Social Responsibility activities. We further report that on the basis of the information available with us, the requisite disclosure pertaining to Corporate Social Responsibility is being made in the Directors Report of the Company.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period:

1. A Special Resolution was passed at the Annual General Meeting of the Company held on 29th April, 2016 by the members in pursuance to section 180(1) (c) read with section 180(2) of the Companies Act, 2013 for approving borrowing limits to the extent of an amount not exceeding ₹30,000 Crores.
2. A special resolution was passed at the Annual General Meeting of the Company held on 29th April, 2016 for approving issuance of secured debentures on private placement basis upto a limit of ₹15,000 crores and unsecured debentures on private placement basis upto a limit of ₹750 crores pursuant to section 42 of the Companies Act, 2013.

Place: Mumbai

Date: 21st April, 2017

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

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

Annexure A

To,
The Members

KOTAK MAHINDRA PRIME LIMITED

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

'Annexure A'

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

Place: Mumbai
Date: 21st April, 2017

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

CSR Report

(Pursuant to the provisions of Section 135(4)(a) of the Companies Act, 2013, read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR activities at Kotak Mahindra Prime Limited are carried in association with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its holding Company.</p> <p>Projects / Programme undertaken through Kotak Education Foundation</p> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013.</p> <p>Web-link to CSR Policy http://www.carloan.kotak.com</p>
2	The Composition of the CSR Committee.	<p>CSR Committee comprises of following Directors:</p> <ol style="list-style-type: none"> 1. Mr. Chandrashekhar Sathe 2. Mr. Vyomesh Kapasi 3. Mr. Narayan S A
3	Average net profit of the company for last three financial years	₹ 76,608.20 lac
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 1,532.16 lac
5	<p>Details of CSR spent during the financial year.</p> <p>(1) Total amount to be spent for the F.Y.</p> <p>(2) Amount unspent , if any;</p> <p>(3) Manner in which the amount spent during the financial year :</p>	<p>The Company has contributed as follows</p> <ul style="list-style-type: none"> • Kotak Education Foundation ₹ 200 lac

(Amount in ₹)

Sl. No	CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken)	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY 2014-15)	Amount spent through implementing agency
1	Education and Livelihood. Implemented through Kotak Education Foundation (KEF), which was set up in 2007 with a purpose to support children and youth from underprivileged families through different education based interventions and skilling programmes. KEF takes a holistic and innovative approach to helping the urban poor break free from the vicious cycle of extreme poverty and generational disadvantages. The 'Mid-day Meal' programme catering to approximately 4764 students from 14 partner schools, provides nutritious meal to pre-primary, 9th std and 10th std school children who are excluded from Government's mid-day-meal programme. KEF has partnered with 37 schools, majority of which are Located in the poorest wards of Mumbai. KEF conducts intensive training / mentoring programme for Principals, Teachers, Students and Parents for sensitisation and empowerment. It also supports the schools with infrastructure like providing Hand wash points, replacement of roofs, water storage tanks, water purifiers, doors, windows, electrification etc. It has touched 38997 beneficiaries. Livelihood training is provided at 5 centres spread across the poorest neighbourhoods of the city. In 2016-17, 1108 aspirants were trained and several of them were placed at an average monthly salary of ₹ 10000/-	Promoting Education & Livelihood	Mumbai	20,000,000.00	16,960,000.00	2,501,000.00	46,100,000.00 (Out of this, Kotak Education Foundation has not utilised ₹5,39,000. This will be used towards meeting expenses for FY 2017-18)	20,000,000 (Implemented through Kotak Education Foundation-KEF)
TOTAL CSR SPEND U/S 135 OF THE COMPANIES ACT, 2013, DURING FY 2016-17							20,000,000.00	

- The Company has been spending on CSR focused themes and programmes, which has been approved by the Board CSR Committee and the Board. The CSR spending is guided by the vision of creating long-term benefit to the society. The company is building its CSR capabilities on a sustainable basis and is committed to gradually increase its CSR spend in the coming years.
- The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Vyomesh Kapasi
Chief Executive Officer

Chandrashekhar Sathe
Chairman CSR Committee

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Kotak Mahindra Prime Limited

Report on the Financial Statements

We have audited the accompanying financial statements of '**KOTAK MAHINDRA PRIME LIMITED**' ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.- 117366WW-100018)

Mumbai

Date: 21st April, 2017

Abhijit A Damle
Partner
Membership No. 102912

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **KOTAK MAHINDRA PRIME LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.- 117366WW-100018)

Mumbai

Date: 21st April, 2017

Abhijit A Damle
Partner
Membership No. 102912

ANNEXURE B

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us the Company did not have any dues on account of Customs Duty and Excise Duty.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) There are no dues of Sales Tax and Service Tax which have not been deposited on account of any dispute. Details of dues of Income Tax and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are as below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2013-14	562.49
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2014-15	336.39
Delhi Value Added Tax Act, 2004	Value Added Tax	Appellate Tribunal, Value Added Tax Delhi	Financial Year 2013-14	54.30

- (viii) Based on our audit procedures, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. Based on the information and explanations given to us, the Company does not have any dues to the government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.- 117366WW-100018)

Place: Mumbai
Date: 21st April, 2017

Abhijit A Damle
Partner
(Membership No.102912)

BALANCE SHEET

AS AT 31ST MARCH, 2017

Particulars	Note No.	As at	As at
		31 March, 2017	31 March, 2016
		₹ in lakh	₹ in lakh
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	349.52	449.52
(b) Reserves and surplus	4	422,356.70	384,816.38
		422,706.22	385,265.90
2 Non-current liabilities			
(a) Long-term borrowings	5	774,424.64	733,378.34
(b) Other long-term liabilities	6	3,018.55	9,898.12
(c) Long-term provisions	7	4,926.50	3,884.52
		782,369.69	747,160.98
3 Current liabilities			
(a) Short-term borrowings	8	700,751.55	620,953.09
(b) Trade payables			
-outstanding dues of creditors other than micro and small enterprises	9	41,758.54	32,199.22
(c) Other current liabilities	10	760,088.55	598,632.89
(d) Short-term provisions	11	8,442.70	8,382.50
		1,511,041.34	1,260,167.70
TOTAL		2,716,117.25	2,392,594.58
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12A	2,798.59	2,862.64
(ii) Intangible assets	12B	78.84	30.12
(b) Non-current investments	13	66,922.62	58,495.38
(c) Deferred tax assets (net)	27.7	6,341.15	4,832.46
(d) Long-term loans and advances	14	1,275,459.74	1,122,125.09
(e) Other non-current assets	15	8,565.17	8,441.87
		1,360,166.11	1,196,787.56
2 Current assets			
(a) Current investments	16	61,610.79	57,329.82
(b) Trade receivables	17	6.10	3.91
(c) Cash and cash equivalents	18	104,727.32	75,086.64
(d) Short-term loans and advances	19	1,153,330.63	1,037,798.00
(e) Other current assets	20	36,276.30	25,588.65
		1,355,951.14	1,195,807.02
TOTAL		2,716,117.25	2,392,594.58

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Abhijit A Damle

Partner

Place: Mumbai

Dated: April 21, 2017

For and on Behalf of the Board of Directors

Vyomesh Kapasi

Managing Director

Harish Shah

Chief Financial Officer & Company Secretary

Narayan S A

Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		₹ in lakh	₹ in lakh
1 Revenue from operations	21	281,562.66	266,744.99
2 Other income	22	10,652.23	9,411.49
3 Total revenue (1+2)		292,214.89	276,156.48
4 Expenses			
(a) Employee benefits expense	23	7,554.73	6,940.99
(b) Finance costs	24	168,049.87	158,426.16
(c) Depreciation and amortisation expense	12C	286.76	267.31
(d) Other expenses	25	37,543.92	33,258.24
Total expenses		213,435.28	198,892.70
5 Profit before tax (3 - 4)		78,779.61	77,263.78
6 Tax expense:			
(a) Current tax		28,813.00	28,477.00
(b) Deferred tax		(1,508.70)	(1,444.45)
		27,304.30	27,032.55
7 Profit for the year (5 - 6)		51,475.31	50,231.23
8 Earnings per share (of ₹ 10/- each):			
(a) Basic	27.6a	1,472.73	1,436.80
(b) Diluted	27.6b	1,472.73	1,436.80
See accompanying notes forming part of the financial statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Abhijit A Damle
Partner

Place: Mumbai
Dated: April 21, 2017

For and on Behalf of the Board of Directors

Vyomesh Kapasi
Managing Director

Narayan S A
Director

Harish Shah
Chief Financial Officer & Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH , 2017

	2016-17		2015-16	
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
Cash flows from operating activities				
Profit before tax	78,779.61		77,263.78	
Add/(Less) : Adjustment for:				
Depreciation and amortization expense	286.76		267.31	
Profit on sale of current investments	(1,369.40)		(1,224.98)	
Loss on buy back of debentures	3.08		-	
Interest on fixed deposits not considered as cash and cash equivalent	(1,017.01)		(2,830.07)	
Discount income on certificate of deposits	(9.35)		(4.21)	
Bad trade and other receivables, loans and advances written off	3,345.41		3,366.84	
Liabilities / provisions no longer required, written back	(843.88)		(252.07)	
Profit on sale of fixed assets	(11.82)		(10.70)	
Provision for long term employee benefits	(0.75)		42.76	
Provision for short term employee benefits	19.44		(9.65)	
Provision for doubtful debts, receivables and advances (net)	3,923.71		2,262.50	
Provision for diminution in investments	-		88.16	
Provision for standard assets	2,038.81		1,746.50	
Operating profit before working capital changes	85,144.61		80,706.17	
Increase in loans and advances under financing activity	(293,223.51)		(261,122.37)	
Increase in loans and advances	(10,773.08)		(5,632.14)	
Decrease / (Increase) in current liabilities	17,625.93		(2,661.12)	
Cash used in operations	(201,226.05)		(188,709.46)	
Income Tax paid (net of refunds)	(29,963.63)		(26,492.56)	
Net cash used in operating activities (A)		(231,189.68)		(215,202.02)
Cash flows from investing activities				
Purchase of fixed assets	(279.49)		(419.10)	
Sale of fixed assets	19.88		20.05	
Discount income on certificate of deposits	9.35		4.21	
Bank balances / fixed deposits not considered as cash and cash equivalents	(36,906.14)		(33,798.17)	
Interest on fixed deposits not considered as cash and cash equivalent	1,017.01		2,830.07	
Purchase of investments	(4,078,259.97)		(3,690,464.28)	
Sale of investments	4,084,200.80		3,677,132.98	
Net cash used in investing activities (B)		(30,198.56)		(44,694.24)
Cash flows from financing activities				
Increase in non convertible debentures	281,196.59		206,358.83	
Decrease in bank loans	(171,159.96)		(72,021.89)	
Increase in other borrowings	158,158.42		136,899.27	

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH , 2017

	2016-17		2015-16	
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
Redemption of Preference Shares (including premium)	(14,034.50)		-	
Dividend paid (including dividend distribution tax) on preference shares	(37.77)		(37.28)	
Net cash from financing activities (C)		254,122.78		271,198.93
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(7,265.46)		11,302.67
Cash and cash equivalents at the beginning of the year		15,771.44		4,468.77
Cash and cash equivalents at the end of the year		8,505.98		15,771.44

Notes:

1. For Cash and cash equivalents above, refer Note 18 - Cash and cash equivalents.
2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.
3. The previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Abhijit A Damle

Partner

Place: Mumbai

Dated: April 21, 2017

For and on Behalf of the Board of Directors

Vyomesh Kapasi

Managing Director

Harish Shah

Chief Financial Officer & Company Secretary

Narayan S A

Director

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 1 - CORPORATE INFORMATION

Kotak Mahindra Prime Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a Non-Banking Financial Company with Reserve Bank of India. The Company is primarily engaged in financing of passenger cars and multi-utility vehicles for retail customers and inventory and term funding to car dealers. The Company also provides finance for loans against securities, personal loans, corporate loans and developer funding.

Note 2 - SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in accounting policies disclosed hereafter.

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

b) USE OF ESTIMATES

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

c) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

d) REVENUE RECOGNITION

- i. Auto Finance Income (including service charges, incentives) is accounted for by using the internal rate of return method to provide a constant periodic rate of return after adjustment of brokerage expenses on the net investment outstanding on the contract. The volume-based incentives and brokerage are accounted as and when the said volumes are achieved. Income also includes gains made on termination of contracts.
- ii. Gain on account of securitisation of assets is amortised over the life of the securities issued in accordance with the guidelines issued by the RBI. Loss on account of securitisation of assets is charged off immediately to Statement of Profit and Loss.
- iii. Gain on account of assignment of assets on bilateral basis is recognised based on the difference between the book value of the assigned assets and sale consideration received.
- iv. In respect of non-performing assets acquired from other banks / NBFCs / Financial Institutions / Companies, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.
- v. Interest income is recognised on accrual basis except in case of non-performing assets where it is recognised, upon realisation, as per RBI guidelines. Overdue / penal interest is recognised as income on realisation.
- vi. Fees and commission income are recognised when due.
- vii. Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

e) FIXED ASSETS AND INTANGIBLE ASSETS

Fixed assets / Intangible assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost includes cost of purchase inclusive of freight, duties and other incidental expenses and all expenditure like site preparation, installation costs and professional fees

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

incurred on the asset before it is ready to put to use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

DEPRECIATION / AMORTISATION:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided on a Straight Line Method over the estimated useful life of the assets as prescribed under Schedule II of the Companies Act, 2013 except certain assets which have been depreciated based on technical evaluation, in order to reflect the actual usage of the assets. Estimated useful lives over which assets are depreciated / amortised are as follows:

Computers	3 years
Office Equipment	5 years
Furniture and Fixtures	6 years
Vehicles	4 years
Premises	58 years
Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Software (including development) expenditure	3 years

For assets purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Assets costing less than 5,000 are fully depreciated in the year of purchase.

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

f) INVESTMENTS

As required by Accounting Standard 13 (AS-13) notified under the Companies (Accounting Standard) Rules, 2006 "as amended", "Accounting for Investments", investments are classified into long term investments and current investments. Investments, which are intended to be held for more than one year from the date, on which the investments are made, are classified as long term investments and investments, which are intended to be held for less than one year from the date, on which the investments are made, are classified as current investments. Long term investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of investment, such reduction being determined and made for each investment individually. Current investments are valued at cost (calculated by applying weighted average cost method) or market / fair value whichever is lower. In case of investments in units of a mutual fund, the NAV of units is considered as market / fair value. The Securities acquired with the intention to trade are considered as Stock-in-Trade. Brokerage, stamping and additional charges paid are included in the cost of investments.

g) EMPLOYEE BENEFITS

i. Provident Fund / Employee State Insurance Scheme – Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii. Gratuity – Defined Benefit Plan

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Old Mutual Life Insurance Limited, fellow subsidiary. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

iii. Actuarial gains / losses are immediately recognised in the Statement of Profit and Loss.

iv. Compensated Absences - Other Long-Term Employee Benefits

The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

v. Other Employee Benefits

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include performance incentives.

As per the Company policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method.

h) EMPLOYEE STOCK OPTION SCHEME

Cash-settled:

The cost of cash-settled transactions (stock appreciation rights) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is re-measured at each Balance Sheet date up to and including the settlement date with changes in intrinsic value recognised in the Statement of Profit and Loss in 'Employee benefits expense'.

i) FOREIGN CURRENCY TRANSACTIONS

On initial recognition, all foreign transactions are recorded by applying to the foreign currency amount exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are restated at the closing rate of exchange as on the Balance Sheet date.

Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the Statement of Profit and Loss. In case of items which are covered by forward exchange contracts entered to hedge the foreign currency risk, the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference in the Statement of Profit and Loss and the premium paid on forward exchange contracts is amortised as expense or income over the life of the contract. Any profit / loss on cancellation or renewal of such a forward exchange contract is recognised as income or as expense.

j) DISCOUNTED INSTRUMENTS

The liability is recognised at face value at the time of issuance of discounted instruments. The discount on the issue is amortised over the tenure of the instrument.

k) TAXES ON INCOME

The Income Tax expense comprises Current tax and Deferred tax. Current tax is measured at the amount expected to be paid in India in respect of taxable income for the year in accordance with the Income tax Act, 1961 enacted in India.

Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Statement of Profit and Loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. Deferred tax assets and deferred tax liabilities are off set when there is legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

l) SERVICE TAX

The Cenvat (Central Value Added Tax) in respect of service tax is accounted on accrual basis on eligible services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be unutilised is charged to the Statement of Profit and Loss for the year.

m) BORROWING COST

Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

n) DERIVATIVE TRANSACTIONS

Interest rate / Currency swaps:

The outstanding swap trades at the Balance Sheet date are disclosed at the contract amount. The swaps which are in the nature of hedges are accounted on an accrual basis; these contracts are not marked to market. Accrued interest is adjusted against the interest cost / income of the underlying liability / asset. The foreign currency balances on account of principal of currency swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

Currency options:

The outstanding option trades, in the nature of hedge, at the Balance Sheet date are disclosed at the contract amount. The premium paid is amortised over the life of the contract.

Embedded Derivatives and Equity Index Derivatives:

Initial Margin - Index Derivative Instrument representing the initial margin paid and /or additional margin paid over and above the initial margin, for entering into contracts for equity index futures, which are released on final settlement / squaring – up of the underlying contracts, are included under Other Current Assets. "Deposit for Mark to Market Margin - Index Derivative Instrument" representing the deposit paid in respect of mark to market margin is included under Other Current Assets.

On final settlement or squaring up of contracts for equity index derivatives, the realised profit or loss after adjusting the unrealized loss already accounted, if any, is recognised in the Statement of Profit and Loss and shown as realised profit / (loss) on index derivatives.

When more than one contract in respect of the relevant series of equity index futures 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.

Outstanding derivative contracts including embedded derivatives, are measured at fair value as at each balance sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market, for that instrument wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine fair value. In most cases valuation techniques use as input parameters observable market data in order to ensure reliability of the fair value measure.

In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company has changed its accounting policy to recognise all mark to market gains or losses on derivative contracts in the statement of profit and loss. Earlier mark to market gains or losses on derivative contracts were determined on a portfolio basis with net unrealised losses being recognised and the net unrealised gains ignored on grounds of prudence as enunciated in Accounting Standard – 1 (AS-1) 'Disclosure of Accounting Policies'.

o) STRUCTURED LIABILITIES

The Company has issued structured liabilities wherein the return on these liabilities is linked to non-interest benchmarks; these liabilities are stated at net present value. Such structured liabilities have an embedded derivative which is the non-interest related return component. The embedded derivative is separated and accounted separately. (Refer accounting policy on Derivative Transactions No. n) The resultant debt component of such structured liabilities is recognised in the Balance Sheet under borrowings and is measured at amortised cost using yield to maturity basis.

p) STOCK IN TRADE

Securities held as Stock-in-trade are valued at cost or market value, whichever is lower. On sale of stock in trade, profit or loss is determined using weighted average cost method.

q) ADVANCES

Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the RBI guidelines and are stated net of provisions made towards non-performing assets. Provision for non-performing assets comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines. In addition, the Company adopts an approach to provisioning that is based on the past experience, realisation of security, erosion over time in value of security and other related factors.

Amounts paid for acquiring non-performing assets from other banks / NBFCs / Financial Institutions / Companies are considered as advances. In accordance with RBI guidelines, such assets are treated as "standard" for a period of 90 days from the date of purchase. Thereafter actual collections received on such non-performing assets are compared with cash flows estimated while purchasing the asset to ascertain default. The assets are classified into sub-standard, doubtful and loss as required by the guidelines on purchase / sale of non-performing assets issued by the RBI.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

r) PROVISION / CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

s) PREMIUM ON REDEMPTION OF PREFERENCE SHARES

Premium on redemption of preference shares is to be adjusted against Securities Premium Account at the time of redemption.

t) SEGMENTAL REPORTING

The following accounting policies have been followed for segment reporting:

- i. Segment Revenue includes Contract Receipts and other income directly identifiable with / allocable to the segment.
- ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Results. The expenses which relate to the Company as a whole and not allocable to segments are included under Unallocable expenses.
- iii. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocated assets mainly comprise Advance payment of taxes and tax deducted at source (net of provision for taxation). Unallocable liabilities include Deferred tax and Other liabilities.

u) LEASES

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. Operating lease receipts are recognised as an income in the Statement of Profit and Loss on accrual basis.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease.

v) EARNINGS PER SHARE

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

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

w) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

x) ACCOUNTING FOR PROPOSED DIVIDEND

As per the requirements of pre-revised AS 4 – 'Contingencies and Events Occurring after the Balance sheet date', the Company used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements. As per AS 4(Revised), the Company cannot create provision for dividend proposed / declared after the balance sheet date unless a statute requires otherwise. The Company has disclosed the same in notes to the financial statements in accordance with AS 4 (Revised).

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 3 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	₹ in lakh	Number of shares	₹ in lakh
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	3,500,000	350.00	3,500,000	350.00
Redeemable preference shares of ₹10 each	3,000,000	300.00	3,000,000	300.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	3,495,200	349.52	3,495,200	349.52
Redeemable preference shares of ₹10 each	-	-	1,000,000	100.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	3,495,200	349.52	3,495,200	349.52
Redeemable preference shares of ₹10 each	-	-	1,000,000	100.00
Total		349.52		449.52

Refer Notes (i) to (iv) below

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
- Number of shares	3,495,200	-	3,495,200
- Amount (₹ in lakh)	349.52	-	349.52
Year ended 31 March, 2016			
- Number of shares	3,495,200	-	3,495,200
- Amount (₹ in lakh)	349.52	-	349.52
Redeemable preference shares			
Year ended 31 March, 2017			
- Number of shares	-	-	-
- Amount (₹ in lakh)	-	-	-
Year ended 31 March, 2016			
- Number of shares	1,000,000	-	1,000,000
- Amount (₹ in lakh)	100.00	-	100.00

- (ii) Rights, preferences and restrictions attached to equity shares :

- The Equity shares of ₹ 10 each, fully paid up have equal voting rights.
- Right to receive dividend as may be approved by the Board / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(iii) Details of shares held by the holding company and its subsidiaries:

Particulars	Equity shares with voting rights	Redeemable preference shares
	Number of shares	
As at 31 March, 2017		
Kotak Mahindra Bank Limited, the holding company	1,782,600	-
Kotak Securities Limited, subsidiary of the holding company	1,712,600	-
Kotak Mahindra Capital Company Limited, subsidiary of the holding company	-	-
Kotak Investment Advisors Limited, subsidiary of the holding company	-	-
As at 31 March, 2016		
Kotak Mahindra Bank Limited, the holding company	1,782,600	-
Kotak Securities Limited, subsidiary of the holding company	1,712,600	250,000
Kotak Mahindra Capital Company Limited, subsidiary of the holding company	-	500,000
Kotak Investment Advisors Limited, subsidiary of the holding company	-	250,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Kotak Mahindra Bank Limited	1,782,600	51	1,782,600	51
Kotak Securities Limited	1,712,600	49	1,712,600	49
Redeemable preference shares				
Kotak Mahindra Capital Company Limited	-	-	500,000	50
Kotak Securities Limited	-	-	250,000	25
Kotak Investment Advisors Limited	-	-	250,000	25

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 4 Reserves and surplus

Particulars	As at	
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Securities premium reserve		
Opening balance	67,009.66	67,009.66
Less: Utilised for redemption of preference shares	13,934.50	-
Closing balance	53,075.16	67,009.66
(b) Capital Redemption Reserve		
Transferred from Surplus in Statement of Profit and Loss	100.00	-
Closing balance	100.00	-
(c) Special Reserve u/s 45 IC of the RBI Act, 1934		
Opening balance	63,773.94	53,726.94
Add: Transferred from Surplus in Statement of Profit and Loss	10,296.00	10,047.00
Closing balance	74,069.94	63,773.94
(d) General Reserve	182.54	182.54
(e) Surplus in Statement of Profit and Loss		
Opening balance	253,850.24	213,703.29
Add: Profit for the year	51,475.31	50,231.23
Less: Transferred to Capital Redemption Reserve	100.00	-
Less: Transferred to Special Reserve u/s 45 IC of the RBI Act, 1934	10,296.00	10,047.00
Less: Interim / Proposed dividend on preference shares	0.41	10.00
Less: Proposed dividend on equity shares	-	20.97
Less: Dividend Distribution tax on preference / equity shares	0.08	6.31
Closing balance	294,929.06	253,850.24
Total	422,356.70	384,816.38

Note 5 Long-term borrowings

Particulars	As at		As at 31 March, 2016 ₹ in lakh
	31 March, 2017	₹ in lakh	
	₹ in lakh	₹ in lakh	
(a) Debentures (Refer Note (i) below)			
(i) Non Convertible Debentures			
Secured		573,190.00	491,200.00
(ii) Deep Discount Debentures			
Secured	153,420.00		158,740.00
Less: Unamortised Discount	19,265.36	134,154.64	26,141.66
			132,598.34
(iii) Non Convertible Debentures - Subordinated Debts			
Unsecured		47,080.00	53,780.00
(b) Term loans from Banks (Refer Note (ii) below)			
Secured		20,000.00	54,800.00
(c) Inter-Corporate Deposits (Refer Note (iii) below)			
Unsecured		-	1,000.00
Total		774,424.64	733,378.34

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note (i)

The Debentures are redeemable at par / premium. The Non Convertible Debentures and Deep Discount Debentures are secured by way of a first and pari-passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 18.07 lakhs and further secured by way of hypothecation / mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares)

Interest and Re-payment terms of Long term borrowings -

1) Non Convertible Debentures

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
RELATED PARTIES:				
2-3years	8.48	5,000.00	NA	-
1-2years	7.66 to 8.48	49,000.00	NA	-
		54,000.00		-
OTHERS:				
3-4years	7.85 to 7.86	11,000.00	9.55	6,500.00
2-3years	8.65 to 9.55	29,600.00	8.11 to 10.50	80,590.00
1-2years	7.60 to 10.50	478,590.00	8.11 to 10.09	404,110.00
		519,190.00		491,200.00
		573,190.00		491,200.00

2) Deep Discount Debentures

Residual Maturity	₹ in lakh		₹ in lakh	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
3-4years	7.85	4,350.07	8.63 to 8.85	30,629.54
2-3years	7.85 to 8.85	43,634.30	8.50 to 8.85	50,598.51
1-2years	7.85 to 8.85	86,170.27	8.65 to 10.10	51,370.29
		134,154.64		132,598.34

3) Non Convertible Debentures - Subordinated Debts

Residual Maturity	₹ in lakh		₹ in lakh	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
RELATED PARTIES:				
5-9years	10.40 to 10.50	6,500.00	10.40 to 11.25	30,500.00
4-5years	10.50 to 11.25	24,000.00	NA	-
1-2years	NA	-	9.50	5,000.00
		30,500.00		35,500.00

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
OTHERS:				
5-9years	9.90	2,500.00	9.90 to 10.80	6,060.00
4-5years	10.80	3,560.00	10.10	2,500.00
3-4years	10.10	2,500.00	NA	-
2-3years	NA	-	10.00 to 11.10	8,020.00
1-2years	10.00 to 11.10	8,020.00	9.50 to 10.70	1,700.00
		16,580.00		18,280.00
		47,080.00		53,780.00

Note (ii)

The long term loans from banks are secured by first and pari-passu and non-exclusive charge by way of hypothecation / mortgage of charged assets such as receivables arising out of loans, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) and / or mortgage on the Company's immovable property of ₹ 18.07 lakhs ranking pari-passu with charge created in favour of Security Trustee.

Interest and Re-payment terms of Long term borrowings - Term loans from Banks

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable in a Single Instalment				
1-2years	9.30	20,000.00	9.65 to 9.75	53,600.00
2-3years	NA	-	9.65	1,200.00
		20,000.00		54,800.00

Note (iii)

Interest and Re-payment terms of Long term borrowings - Inter Corporate Deposit

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
1-2year	NA	-	8.46	1,000.00
		-		1,000.00

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 6 Other long-term liabilities

Particulars	As at	
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
Others (Other than Trade payables):		
(i) Interest accrued but not due on borrowings	2,139.87	9,224.44
(ii) Lease / Loan Deposit	550.11	657.99
(iii) Income received in advance (Unearned revenue)	14.57	15.69
(iv) Cash profit on Loan transfer transactions pending recognition	314.00	-
Total	3,018.55	9,898.12

Note 7 Long-term provisions

Particulars	As at	
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
Provision for employee benefits:		
(i) Provision for gratuity (Refer Note 27.2(i))	1.70	76.88
(ii) Provision for compensated absences (Refer Note 27.2(ii))	307.66	241.69
(iii) Provision for Stock Appreciation Rights (Refer Note 28.1)	28.72	23.68
(iv) Provision for Long Service Award	37.52	34.10
Provision (Others):		
(i) Provision for contingencies (Refer Note 27.9)	21.92	26.06
(ii) Contingent provisions against standard assets	4,528.98	3,482.11
Total	4,926.50	3,884.52

Note 8 Short-term borrowings

Particulars	As at 31 March, 2017		As at 31 March, 2016
	₹ in lakh	₹ in lakh	
(a) Debentures (Refer Note (i) below)			
Non Convertible Debentures			
Secured		-	31,500.00
(b) Term loans from Banks (Refer Note (ii) below)			
Secured		133,218.15	180,078.11
(c) Deposits			
Inter Corporate Deposits (Refer Note (iii) below)			
Unsecured		26,500.00	67,200.00
(d) Commercial Paper (Refer Note (iv) below)			
Unsecured	556,805.00		357,600.00
Less: Discount not written off	15,771.60		15,425.02
Total		541,033.40	342,174.98
		700,751.55	620,953.09

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note (i)

The Debentures are redeemable at par. The Non Convertible Debentures are secured by way of a first and pari-passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 18.07 lakhs and further secured by way of hypothecation / mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares)

Interest and Re-payment terms of Short term borrowings -

Non Convertible Debentures	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
0-1 year	NA	-	8.60	31,500.00
		-		31,500.00

Note (ii)

The short term loans from banks are secured by first and pari-passu and non-exclusive charge by way of hypothecation / mortgage of charged assets such as receivables arising out of loans, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) and / or mortgage on the Company's immovable property of ₹ 18.07 lakhs ranking pari-passu with charge created in favour of Security Trustee.

Interest and Re-payment terms of Short term borrowings -

Term Loans from Banks	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable in a Single Instalment				
RELATED PARTIES:				
0-1 year	6.51	6,000.00	9.5	6,000.00

OTHERS:

Fixed Interest Rate; Repayable in a Single Instalment				
0-1 year	8.00 to 9.35	115,095.30	8.9 to 9.75	174,078.11
Floating Interest Rate; Repayable in a Single Instalment				
0-1 year	Libor + 1.25%	12,122.85	NA	-
		133,218.15		180,078.11

Note (iii)

Interest and Re-payment terms of Short term borrowings -

Inter Corporate Deposit	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
0-1 year	7.30 to 8.69	26,500.00	7.40 to 9.00	67,200.00
		26,500.00		67,200.00

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note (iv)

Interest and Re-payment terms of Short term borrowings -

Commercial Paper	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
Residual Maturity	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
RELATED PARTIES:				
0-1 year	NA	-	8.59	31,938.50

OTHERS:

0-1 year	6.69 to 8.55	541,033.40	8.10 to 9.10	310,236.48
		541,033.40		342,174.98

Note 9 Trade payables

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	
Trade payables:		
Other than Acceptances	41,758.54	32,199.22
Total	41,758.54	32,199.22

Note :-

There are no dues payable to micro and small enterprises based on the information available with the company and therefore disclosures under The Micro, Small And Medium Enterprises Development Act, 2006 are not applicable.

Note 10 Other current liabilities

Particulars	As at		As at
	31 March, 2017		31 March, 2016
	₹ in lakh	₹ in lakh	₹ in lakh
(a) Current maturities of long term debt			
(i) Debentures (Refer Note (i) below)			
Non Convertible Debentures			
Secured		599,610.00	321,600.00
Deep Discount Debentures			
Secured	92,060.00		144,770.00
Less: Unamortised Discount	2,476.47		6,329.83
		89,583.53	138,440.17
Non Convertible Debentures - Subordinated Debts		6,700.00	-
Unsecured			
(ii) Term loans from Banks (Refer Note (ii) below)			
Secured		-	89,500.00
(iii) Inter corporate deposit (Refer Note (iii) below)		1,000.00	-
(b) Interest accrued but not due on borrowings		59,325.39	46,815.23
(c) Income received in advance (Unearned revenue)		15.87	28.97
(d) Unclaimed matured lease / loan deposits and interest accrued thereon		-	4.39

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	As at 31 March, 2017		As at 31 March, 2016
	₹ in lakh	₹ in lakh	₹ in lakh
(e) Unclaimed matured debentures		7.60	7.60
(f) Cash profit on Loan transfer transactions pending recognition		401.12	-
(g) Other payables			
(i) Statutory dues (including provident fund and tax deducted at source)		318.44	422.79
(ii) Lease / Loan Deposit		184.09	167.61
(iii) Advances received against loan / lease agreements		2,252.63	1,642.36
(iv) Book overdraft balance		1.32	3.77
(v) Mark to market balance of currency derivatives		382.92	-
(vi) Unamortised premium on forward contracts		305.64	-
Total		760,088.55	598,632.89

Note (i)

The Debentures are redeemable at par / premium. The Non Convertible Debentures and Deep Discount Debentures are secured by way of a first and pari-passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 18.07 lakhs and further secured by way of hypothecation / mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares)

Interest and Re-payment terms of Long term borrowings (Current Maturities)

1) Non Convertible Debentures

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
RELATED PARTIES:				
0-1 year	7.70	2,500.00	9.15 to 10.61	35,000.00
		2,500.00		35,000.00
OTHERS:				
0-1 year	7.56 to 10.09	597,110.00	8.25 to 10.75	286,600.00
		597,110.00		286,600.00
		599,610.00		321,600.00

2) Deep Discount Debentures

Residual Maturity	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
0-1 year	6.80 to 10.10	89,583.53	8.27 to 11.00	138,440.17
		89,583.53		138,440.17

3) Non Convertible Debentures - Subordinated Debts

Residual Maturity	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
0-1 year	9.50	5,000.00	NA	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

OTHERS:

0-1 year	9.50 to 10.70	1,700.00	NA	-
		6,700.00		-

Note (ii)

The term loans from banks are secured by first and pari-passu and non-exclusive charge by way of hypothecation / mortgage of charged assets such as receivables arising out of loans, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) and / or mortgage on the Company's immovable property of ₹ 18.07 lakhs ranking pari-passu with charge created in favour of Security Trustee.

Interest and Re-payment terms of Long term borrowings (Current Maturities)

Term Loans from Banks

Residual Maturity	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable in a Single Instalment				
0-1 year	NA	-	9.65 to 9.70	89,500.00
		-		89,500.00

Note (iii)

Inter Corporate Deposit	₹ in lakh		₹ in lakh	
	As at 31 March, 2017		As at 31 March, 2016	
Residual Maturity	Interest Rate Range (%)	Balance Outstanding	Interest Rate Range (%)	Balance Outstanding
Fixed Interest Rate; Repayable at Maturity				
0-1 year	8.46	1,000.00	NA	-
		1,000.00		-

Note 11 Short-term provisions

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Provisions for employee benefits:		
(i) Provision for compensated absences (Refer Note 27.2(ii))	57.71	43.22
(ii) Provision for Stock Appreciation Rights (Refer Note 28.1)	54.96	50.00
	112.67	93.22
(b) Provisions - Others:		
(i) Provision for tax [net of advance tax ₹ 100,192.61 lakhs (As at 31 March, 2016 ₹ 98,942.70 lakhs)]	4,166.88	5,080.79
(ii) Contingent provisions against standard assets	4,163.15	3,171.21
(iii) Provision for proposed equity dividend (Refer Note 26.4)	-	20.97
(iv) Provision for proposed preference dividend	-	10.00
(v) Provision for tax on proposed equity / preference dividend	-	6.31
	8,330.03	8,289.28
Total	8,442.70	8,382.50

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 12 Fixed assets

A. Tangible assets	Gross block			Balance as at 31 March, 2017 ₹ in lakh
	Balance as at 1 April, 2016 ₹ in lakh	Additions ₹ in lakh	Disposals ₹ in lakh	
(a) Buildings				
Own use	18.07	-	-	18.07
	(18.07)	-	-	(18.07)
Given under operating lease	2,635.41	-	-	2,635.41
	(2,635.41)	-	-	(2,635.41)
(b) Computers	523.43	62.42	68.72	517.13
	(455.83)	(73.32)	(5.72)	(523.43)
(c) Furniture and Fixtures	94.98	2.67	17.42	80.23
	(83.27)	(13.33)	(1.62)	(94.98)
(d) Vehicles	223.39	127.22	72.88	277.73
	(222.13)	(49.54)	(48.28)	(223.39)
(e) Office equipment	303.49	10.57	89.58	224.48
	(255.98)	(67.55)	(20.04)	(303.49)
(f) Leasehold improvements	562.34	3.87	-	566.21
	(351.92)	(210.42)	-	(562.34)
Total	4,361.11	206.75	248.60	4,319.26
	(4,022.61)	(414.16)	(75.66)	(4,361.11)

A Tangible assets	Accumulated depreciation			Net block	
	Balance as at 1 April, 2016 ₹ in lakh	Depreciation / amortisation expense for the year ₹ in lakh	Eliminated on disposal of assets ₹ in lakh	Balance as at 31 March, 2017 ₹ in lakh	Balance as at 31 March, 2017 ₹ in lakh
(a) Buildings					
Own use	7.17	0.30	-	7.47	10.60
	(6.87)	(0.30)	-	(7.17)	(10.90)
Given under operating lease	309.73	45.33	-	355.06	2,280.35
	(264.40)	(45.33)	-	(309.73)	(2,325.68)
(b) Computers	434.04	61.16	68.72	426.48	90.65
	(377.53)	(61.19)	(4.68)	(434.04)	(89.39)
(c) Furniture and Fixtures	85.97	5.63	17.38	74.22	6.01
	(73.21)	(14.38)	(1.62)	(85.97)	(9.01)
(d) Vehicles	119.66	51.80	65.03	106.43	171.30
	(117.12)	(43.69)	(41.15)	(119.66)	(103.73)
(e) Office equipment	210.47	36.33	89.41	157.39	67.09
	(198.36)	(30.97)	(18.86)	(210.47)	(93.02)
(f) Leasehold improvements	331.43	62.19	-	393.62	172.59
	(278.28)	(53.15)	-	(331.43)	(230.91)
Total	1,498.47	262.74	240.54	1,520.67	2,798.59
	(1,315.77)	(249.01)	(66.31)	(1,498.47)	(2,862.64)

Note: Figures in bracket relates to the previous year

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 12 Fixed assets (contd.)

B. Intangible assets	Gross block		Balance as at 31 March, 2017 ₹ in lakh
	Balance as at 1 April, 2016 ₹ in lakh	Additions ₹ in lakh	
Computer software	97.55	72.74	170.29
	(92.61)	(4.94)	(97.55)
Total	97.55	72.74	170.29
	(92.61)	(4.94)	(97.55)

B Intangible assets	Accumulated depreciation and impairment		Net block	
	Balance as at 1 April, 2016 ₹ in lakh	Depreciation / amortisation expense for the year ₹ in lakh	Balance as at 31 March, 2017 ₹ in lakh	Balance as at 31 March, 2017 ₹ in lakh
Computer software	67.43	24.02	91.45	78.84
	(49.13)	(18.30)	(67.43)	(30.12)
Total	67.43	24.02	91.45	78.84
	(49.13)	(18.30)	(67.43)	(30.12)

Note: Figures in bracket relates to the previous year

C. Depreciation and amortisation:	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹ in lakh	₹ in lakh
	Depreciation and amortisation for the year on tangible assets as per Note 12 A	262.74	249.01
	Depreciation and amortisation for the year on intangible assets as per Note 12 B	24.02	18.30
	Depreciation and amortisation	286.76	267.31

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 13 Non-current investments

Particulars	Face Value		As at 31 March, 2017				Face Value		As at 31 March, 2016			
	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh		
Unquoted (At cost unless otherwise stated):												
Other than trade:												
(a) Investment in equity instruments fully paid up												
Joint Venture:												
(i) Kotak Mahindra Old Mutual Life Insurance Limited	10	54,000,000	-	5,400.00	5,400.00	10	54,000,000	-	5,400.00	5,400.00		
Others:												
(i) Phoenix ARC Private Limited	10	33,432,000	-	4,017.40	4,017.40	10	33,432,000	-	4,017.40	4,017.40		
(ii) ACE Derivatives and Commodity Exchange Limited	10	12,594,221	-	1,374.77	1,374.77	10	12,594,221	-	1,374.77	1,374.77		
(iii) Equifax Credit Information Services Private Limited	10	7,500,000	-	750.00	750.00	10	7,500,000	-	750.00	750.00		
(iv) Godrej Agrovet Ltd	10	1,617,084	-	4,805.49	4,805.49	-	-	-	-	-		
Less: Provision for depreciation in investments			-	(1,379.79)	(1,379.79)			-	(1,379.79)	(1,379.79)		
			-	14,967.87	14,967.87			-	10,162.38	10,162.38		
(b) Investment in Preference shares												
ATC Telecom Infrastructure Private Limited	10	166,666,666	-	16,666.67	16,666.67	-	-	-	-	-		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Face Value					As at 31 March, 2017					Face Value					As at 31 March, 2016						
	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh	₹	Quantity	Quoted (*)	Unquoted	₹ in lakh		
(c) Investment in debentures / bonds fully paid up																						
Piramal Realty Private Limited	-	-	-	-	-	1,000,000	1,000	-	10,000.00	10,000.00	1,000,000	1,000	-	10,000.00	10,000.00							
Horizon Projects Private Limited	3,333,333	130	-	4,333.33	4,333.33	7,948,462	130	-	10,333.00	10,333.00												
Aasan Developers and Constructions Private Limited	1,000,000	1,000	-	10,000.00	10,000.00	1,000,000	1,000	-	10,000.00	10,000.00												
Liquid Investment and Trading Company Private Limited	500,000	1,200	-	6,000.00	6,000.00	1,000,000	1,200	-	12,000.00	12,000.00												
Shriram Industrial Holding Limited	1,000,000	600	-	6,000.00	6,000.00	1,000,000	600	-	6,000.00	6,000.00												
Asian Satellite Broadcast Private Limited	12,077,970	41	-	4,951.97	4,951.97	-	-	-	-	-												
Alliance Infrastructure Projects Private Limited	825,000	132	1,089.00	-	1,089.00	-	-	-	-	-												
			1,089	31,285.30	32,374.30			-	48,333.00	48,333.00												
(d) Investment in pass through certificate																						
India Standard Loan Trust XXXIII	1	291,378,370	-	2,913.78	2,913.78	-	-	-	-	-												
Total			1,089.00	65,833.62	66,922.62			-	58,495.38	58,495.38												
Aggregate amount of provisions					1,379.79																1,379.79	
* Quotes not available																						

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 14 Long-term loans and advances

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Security deposits		
Unsecured, considered good	176.32	188.56
(b) Capital Advances	-	11.79
(c) Advance income tax [net of provisions ₹ 60,256.11 lakhs (As at 31 March, 2016 ₹ 33,396.11 lakhs)] - Unsecured, considered good	1,565.16	1,328.43
(d) Other loans and advances under financing activity (Refer Note (i) below)		
Secured, considered good	1,220,603.47	1,058,168.51
Unsecured, considered good	53,114.79	62,427.80
Secured, considered doubtful	1,862.03	1,521.76
Unsecured, considered doubtful	131.19	139.86
	1,275,711.48	1,122,257.93
Less: Provision for bad and doubtful debts	1,993.22	1,661.62
	1,273,718.26	1,120,596.31
Total	1,275,459.74	1,122,125.09
Note (i)		
Secured, considered good (*)		
Vehicle Finance	998,959.17	885,452.83
Includes Lease ₹ 13295.73 lakhs (Previous year ₹ 11,416.55 lakhs) (Refer Note 27.10)		
Loans against Securities / Collaterals	221,644.30	172,715.68
	1,220,603.47	1,058,168.51
Unsecured, considered good		
Corporate Loans	10,264.03	21,779.54
Personal Loans	42,850.76	40,648.26
	53,114.79	62,427.80
Secured, considered doubtful (*)		
Vehicle Finance	1,775.11	1,433.47
Loans against Securities / Collaterals	86.92	88.29
	1,862.03	1,521.76
Unsecured, considered doubtful		
Personal Loans	131.19	139.86
	131.19	139.86

(*) Secured by hypothecation of vehicles, and / or, pledge of securities and / or, equitable mortgage of property and / or undertaking to create a security.

Note 15 Other non-current assets

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Unamortised expenses		
(i) Ancillary lending expense	8,556.47	8,424.97
(b) Others		
(i) Fixed Deposits with banks (under lien, with residual maturity of more than 12 months)	8.70	16.90
Total	8,565.17	8,441.87

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 16 Current investments

Particulars	Face Value ₹	Quantity	As at 31 March, 2017			Face Value ₹	Quantity	As at 31 March, 2016		
			Quoted (*)	Unquoted	₹ in lakh			Quoted (*)	Unquoted	₹ in lakh
Unquoted (at lower of cost and fair value)										
(a) Investment in debentures / bonds fully paid up (Refer Note (i) below)										
(Including current portion of Long-Term Investments)										
Enkay Buildwell Private Limited	-	-	-	-	-	1,111,112	75	-	833.33	833.33
Horizon Projects Private Limited	4,236,667	130	-	5,507.67	5,507.67	1,975,556	135	-	2,667.00	2,667.00
Proficient Buildwell Private Limited	50,000,000	4	-	2,000.00	2,000.00	50,000,000	4	-	2,000.00	2,000.00
Piramal Realty Private Limited	1,000,000	1,000		10,000.00	10,000.00	-	-	-	-	-
Godrej and Boyce Manufacturing Company Limited	-	-	-	-	-	50,000,000	30	-	15,000.00	15,000.00
Liquid Investment And Trading Company Private Limited	500,000	1,200	-	6,000.00	6,000.00	-	-	-	-	-
Alliance Infrastructure Projects Private Limited	175,000	132	231.00	-	231.00	-	-	-	-	-
Ananta Landmarks Private Limited	1,000,000	1,000	-	10,000.00	10,000.00	-	-	-	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Face Value ₹	Quantity	As at 31 March, 2017			Face Value ₹	Quantity	As at 31 March, 2016		
			Quoted (*)	Unquoted	₹ in lakh			Quoted (*)	Unquoted	₹ in lakh
JSW Investment Private Limited	1,000,000	2,000	20,000.00	-	20,000.00	-	-	-	-	-
			20,231.00	33,507.67	53,738.67				-	20,500.33
(b) Investment in Mutual Funds										
Kotak Liquid Scheme Plan - Growth	3,297	136,507	-	4,500.00	4,500.00	3,071	879,259	-	27,000.00	27,000.00
			-	4,500.00	4,500.00			-	27,000.00	27,000.00
(c) Investment in Certificate of deposits										
Punjab National Bank			-	-	-	100,000.00	10,000.00	-	9,829.49	9,829.49
(d) Investment in pass through certificate										
India Standard Loan Trust XXXIII	1	337,212,192	-	3,372.12	3,372.12			-	-	-
Total			20,231.00	41,379.79	61,610.79			-	57,329.82	57,329.82
* Quotes not available										

Note (i): Includes instalments due after twelve months as the investments are expected to be realised in the subsequent year.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 17 Trade receivables

Particulars	As at 31	As at 31
	March, 2017	March, 2016
	₹ in lakh	₹ in lakh
Outstanding for a period exceeding six months from the date they were due for payment	-	-
Other Trade receivables		
Unsecured, considered good	6.10	3.91
Total	6.10	3.91

Note 18 Cash and cash equivalents

Particulars	As at 31	As at 31
	March, 2017	March, 2016
	₹ in lakh	₹ in lakh
A. Cash and cash equivalents (As per AS 3 - Cash Flow Statement)		
(a) Cash on hand	436.01	987.12
(b) Cheques, drafts on hand	1,160.31	998.34
(c) Balances with banks		
(i) In current accounts	6,909.66	3,785.98
(ii) In deposits with original maturity less than 3 months	-	10,000.00
Cash and cash equivalents (As per AS 3 - Cash Flow Statement)	8,505.98	15,771.44
B. Other Bank Balances		
(i) In deposits with original maturity more than 3 months (Includes fixed deposits under lien ₹ 8.78 lakhs, previous year Nil)	96,213.74	59,307.60
(ii) In earmarked accounts		
- Unclaimed matured debentures	7.60	7.60
	96,221.34	59,315.20
Total	104,727.32	75,086.64

Note 19 Short-term loans and advances

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Loans and advances to employees		
Unsecured, considered good	112.03	106.46
(b) Prepaid expenses - Unsecured, considered good	132.12	96.20
(c) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	658.45	762.39
(ii) Service Tax credit receivable	111.31	64.90
(d) Inter Corporate Deposit	10,521.67	-
(e) Other loans and advances under financing activity		
(Refer Note (i) below)		
Secured, considered good	1,033,649.06	945,025.34
Unsecured, considered good	108,145.99	91,742.71
Secured, considered doubtful	8,997.06	5,876.56
Unsecured, considered doubtful	1,544.40	1,068.65
	1,152,336.51	1,043,713.26

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
Less: Provision for bad and doubtful loans and advances	10,541.46	6,945.21
Total	1,141,795.05	1,036,768.05
Note (i)		
Secured, considered good (*)		
Vehicle Finance (Refer Note (ii) below)	725,200.19	693,616.64
Includes Lease ₹ 6,500.03 lakhs		
(Previous year ₹ 6,389.56 lakhs) (Refer Note 27.10)		
Loans against Securities / Collaterals	308,448.87	251,408.70
	1,033,649.06	945,025.34
Unsecured, considered good		
Vehicle Finance	5,632.32	6,775.87
Corporate Loans	57,398.19	40,792.56
Personal Loans	45,115.48	44,174.28
	108,145.99	91,742.71
Secured, considered doubtful (*)		
Vehicle Finance	8,272.11	5,603.63
Loans against Securities / Collaterals	724.95	272.93
	8,997.06	5,876.56
Unsecured, considered doubtful		
Corporate Loans	49.46	-
Personal Loans	1,494.94	1,068.65
	1,544.40	1,068.65

(*) Secured by hypothecation of vehicles, and / or, pledge of securities and / or, equitable mortgage of property and / or undertaking to create a security.

Note (ii)

The receivables of vehicles and instalment dues from borrowers include ₹ 2743.33 lakhs (Previous year ₹ 1,125.50 lakhs) being receivables and instalment on vehicles repossessed, necessary provision for which is made.

Note 20 Other current assets

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	₹ in lakh	₹ in lakh
(a) Unamortised expenses		
(i) Ancillary lending expense	3,821.80	3,849.23
(b) Accruals		
(i) Interest accrued on deposits	1,017.01	741.56
(ii) Interest accrued on investments	10,173.57	2,642.03
(iii) Interest accrued on loans and advances	20,400.46	17,551.30
(c) Others		
(i) Deposits	482.49	460.74
(ii) Others (includes fees and incentive receivable)	380.97	343.79
Total	36,276.30	25,588.65

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 21 Revenue from operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
(a) Interest (Refer Note (i) below)	261,898.77	248,223.81
(b) Other Financial Services (Refer Note (ii) below)	18,647.38	15,830.66
(c) Other Operating Revenues		
(i) Write offs recovered	799.02	795.56
(ii) Gain on sale of current investments - debentures	217.49	1,894.96
Total	281,562.66	266,744.99
Note (i) Interest		
Vehicle Finance	177,682.68	169,173.82
Loans (including loans against Securities / Collaterals)	58,444.75	52,583.00
Personal Loans	15,231.71	15,198.23
Lease Rentals	9,135.60	8,594.09
Less: Capital Recovery	6,782.75	6,286.80
	2,352.85	2,307.29
Interest on Inter-corporate deposits	587.85	-
Current Investments - Debentures	977.80	1,923.89
Long-term Investments - Debentures	6,621.13	7,037.58
	261,898.77	248,223.81
Note (ii) Other Financial Services		
Vehicle Finance	12,647.02	11,730.71
Loans (including loans against Securities / Collaterals)	3,457.21	1,963.05
Personal Loans	1,819.17	1,849.99
Income from securitisation / assignment	414.83	15.20
Fee based Income	309.15	271.71
	18,647.38	15,830.66

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 22 Other income

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
(a) Interest income (Refer Note (i) below)	7,788.60	6,457.64
(b) Net gain on sale of:		
current investments - other than debentures	1,369.40	1,224.98
(c) Discount income on certificate of deposits	9.35	4.21
(d) Discount income on CBLO lending	59.19	470.37
(e) Provision for Mark to Market on derivatives written back (net)	-	458.84
(f) Provision for contingencies no longer required	4.14	-
(g) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	1,421.55	795.45
Total	10,652.23	9,411.49

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹ in lakh	₹ in lakh
(i)	Interest income comprises:		
	Interest from banks on deposits	7,417.21	6,449.69
	Interest on CBLO deposits	1.31	0.78
	Interest on staff loans	7.10	7.17
	Interest on Pass through certificate	362.98	-
	Total - Interest income	7,788.60	6,457.64
(ii)	Other non-operating income comprises:		
	Rental income from operating leases (Refer Note 27.5a)	565.85	532.68
	Profit on sale of fixed assets (net)	11.82	10.70
	Liabilities / Provisions no longer required written back (net of ₹ 21.62 lakhs sundry debit balance written off, Previous year ₹ 100.54 lakhs)	843.88	252.07
	Total - Other non-operating income	1,421.55	795.45

Note 23 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
Salaries, Allowances and Bonus	6,908.11	6,258.11
Contributions to provident fund (Refer Note 27.1)	332.63	296.77
Provision for Gratuity [Refer Note 27.2(i)]	28.34	108.52
Staff welfare expenses	285.65	277.59
Total	7,554.73	6,940.99

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 24 Finance costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
(a) Interest expense on:		
(i) Borrowings		
Debentures	92,518.72	84,808.30
Term loans	12,049.40	23,995.29
Inter-Corporate deposits	3,588.66	873.87
Cash credit and overdraft	875.90	1,311.56
(ii) Others		
- Interest on delayed payment of Income Tax	0.33	0.14
(b) Other borrowing costs		
Commercial Papers	37,479.85	31,889.69
Deep Discount Debentures	21,333.39	15,228.97
Others	203.62	318.34
Total	168,049.87	158,426.16

Note 25 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
Power and fuel	272.22	231.77
Rent including lease rentals (Refer Note 27.5b)	855.31	865.71
Repairs and maintenance - Others	488.48	448.84
Insurance	20.32	12.10
Rates and taxes	2,598.43	1,954.20
Communication	423.17	357.91
Travelling and conveyance	586.90	541.24
Printing and stationery	361.97	389.62
Data Processing	66.00	66.00
Brokerage and commission	11,749.01	11,469.51
Office expenses	235.88	226.97
Common Establishment expenses - Reimbursements	1,133.20	1,048.39
Advertisement	128.74	167.08
Business promotion	400.82	357.89
Expenditure on Corporate Social Responsibility	200.00	201.00
Legal and professional	7,771.96	6,720.46
Director's sitting fees and commission	23.80	23.40
Payments to auditors (Refer Note (i) below)	95.49	84.93
Bad trade and other receivables, loans and advances written off (net)	3,345.41	3,366.84

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
(Includes net loss on sale of lease assets ₹ 25.61 lakhs, Previous year net loss of ₹ 11.15 lakhs)		
Loss on buyback of debentures	3.08	-
Adjustments to the carrying amount of investments - reduction in the carrying amount of long-term investments (net)	-	88.16
Net loss on sale of Index Derivatives	-	1.32
Provision for contingencies	-	2.03
Provision for doubtful trade and other receivables, loans and advances	3,927.85	2,260.47
Provision for standard assets	2,038.81	1,746.50
Miscellaneous expenses	817.07	625.90
Total	37,543.92	33,258.24

Note (i)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	64.00	64.00
For other services (Interim Audit, Certification Work, etc)	30.60	20.48
Reimbursement of expenses	0.89	0.45
Total	95.49	84.93

Note 26 Additional information to the financial statements

Note	Particulars	As at 31 March, 2017	As at 31 March, 2016
		₹ in lakh	₹ in lakh
26.1	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
(a)	Claims against the Company not acknowledged as debt in case of suits filed by customer/s with respect to release of repossessed vehicles and related matters. The Company had preferred an appeal against the same with State / National Consumer Dispute Redressal Forum.	328.69	336.03
(b)	The Company has received a demand (net of provision) of ₹ 592.13 lakhs, ₹ 190.49 lakhs and ₹ 53.72 lakhs on completion of income tax assessment for the assessment years 2012-13, 2013-14 and 2014-15 respectively. The said amount is disputed and the Company has preferred an appeal against the same.	836.34	782.62
(c)	The Company has received VAT assessment orders for financial years 2008-09 to 2011-12 and 2013-14. The Company has preferred an appeal against the same.	405.61	364.64
	The Company is confident of successfully defending the demands and does not expect any outflow on these counts.		
	Other Commitment	9,375.00	-
	Sanctioned amount pending request for disbursal		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

26.2 Details on derivatives instruments

(a) The Company has entered into foreign currency forward exchange contracts for hedging.

Outstanding forward exchange contracts entered into by the Company as on 31st March 2017

Currency	₹ in lakhs	Buy / sell	Cross currency
USD 18,939,044.32	12,972.11	Buy	
USD (Nil)	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year

(b) The Company does not have any unhedged foreign currency exposures as at current / previous year end.

26.3 Expenditure in foreign currency	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
Travelling	-	0.97
Credit rating Expenses	24.61	20.09
Total	24.61	21.06

26.4 Proposed dividend on Equity Shares	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹ in lakh	₹ in lakh
Proposed dividend on equity shares for the year after balance sheet date by the Board (₹ 0.60 per share, previous year ₹ 0.60 per share)	20.97	20.97
Dividend Distribution tax on Proposed dividend	4.27	4.27
Total	25.24	25.24

For the period up to 31st March, 2016, the Company had treated dividend proposed / declared after the balance sheet date as an adjusting event. However, from the financial year 2016-17 onwards, it is treated as non adjusting event in accordance with AS 4 (Revised).

Had the Company continued with creation of provision for proposed dividend, its Surplus in the Statement of Profit and Loss would have been lower by ₹ 25.24 lakhs and short term provisions would have been higher by ₹ 25.24 lakhs (including dividend distribution tax of ₹ 4.27 lakhs)

Note 27 Disclosures under Accounting Standards

Note	Particulars
27	Employee benefit plans
27.1	Defined contribution plans The Company makes Provident Fund contributions to Recognized Provident Fund for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 332.63 lakhs (Year ended 31 March, 2016 ₹ 296.77 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme.
27.2	Defined benefit plans The Company offers the following employee benefit schemes to its employees:

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

27.2(i) Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	₹ in lakh	
	Year ended 31 March, 2017 Gratuity	Year ended 31 March, 2016 Gratuity
Components of employer expense		
Current service cost	84.64	80.85
Interest cost	49.12	45.67
Expected return on plan assets	(36.10)	(35.83)
Actuarial losses / (gains)	(69.32)	17.83
Total expense recognised in the Statement of Profit and Loss	28.34	108.52
Actual contribution and benefit payments for year		
Benefits paid	47.21	68.88
Net (asset) / liability recognised in the Balance Sheet		
Present value of defined benefit obligation	626.03	557.19
Fair value of plan assets	(624.33)	(480.31)
Net (asset) / liability recognised in the Balance Sheet	1.70	76.88

Particulars	₹ in lakh	
	Year ended 31 March, 2017 Gratuity	Year ended 31 March, 2016 Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	557.19	522.53
Current service cost	84.64	80.85
Interest cost	49.12	45.67
Liabilities (settled on divestiture) / assumed on acquisitions	(4.38)	(8.36)
Actuarial (gains) / losses	(13.33)	(14.62)
Benefits paid	(47.21)	(68.88)
Present value of DBO at the end of the year	626.03	557.19
Change in fair value of assets during the year		
Plan assets at beginning of the year	480.31	483.86
Expected return on plan assets	36.10	35.83
Actual Company contributions	99.14	61.95
Actuarial gain / (loss)	55.99	(32.45)
Benefits paid	(47.21)	(68.88)
Plan assets at the end of the year	624.33	480.31
Composition of the plan assets is as follows:		
Equity	328.21	256.73
Government securities	112.00	109.51
Bonds, debentures and other fixed income instruments	111.38	62.10
Money market instruments	63.00	51.97
Others	9.74	-
Total	624.33	480.31
Actuarial assumptions		
Discount rate	7.18%	7.95%
Expected return on plan assets	7.50%	7.50%
Salary escalation	7.00%	8.50%
Estimate of amount of contribution in the immediate next year	50.00	50.00

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note	Particulars				
	The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.				
	The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.				
	Experience adjustments				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	₹ in lakh 31-Mar-13
	Gratuity				
	626.03	557.19	522.53	403.42	397.60
	624.33	480.31	483.86	407.83	338.71
	(1.71)	(76.88)	(38.67)	4.41	(58.88)
	(4.10)	(16.49)	19.92	6.26	(18.62)
	55.99	(32.45)	86.54	19.62	6.70
	The above details except for composition of plan assets are as certified by the Actuary.				

27.2(ii) Compensated absences	31-Mar-17	31-Mar-16
	Actuarial assumptions for long-term compensated absences	
	7.18%	7.95%
	7.00%	8.50%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note	Particulars
27.3	Segment information
	The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Retail financing, Other lending activities and Treasury and Investments. Retail Financing includes Vehicle finance, Wholesale trade finance and consumer durable finance. Other Lending activities include financing against securities, securitisation, debenture investment / lending in commercial real estate and other loans / fee based services. Treasury and Investment activities include proprietary trading in shares. Segments have been identified and reported taking into account the nature of product and services, the differing risks and returns and the internal financial reporting system. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. There is one Geographical segment i.e. India as Secondary segment.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31 March 2017				
	Business segments			Eliminations	Total
	Vehicle financing	Other lending activities/ Fee based services	Treasury and Investment activities		
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
Revenue	214,916.99	76,733.78	3,819.12	-	295,469.89
	204,914.78	70,869.90	4,050.03	-	279,834.71
Inter-segment revenue	-	-	-	(3,255.00)	(3,255.00)
	(-)	(-)	(-)	(3,678.23)	(3,678.23)
Total	214,916.99	76,733.78	3,819.12	(3,255.00)	292,214.89
	204,914.78	70,869.90	4,050.03	(3,678.23)	276,156.48
Segment result	48,133.05	27,234.32	3,412.24	-	78,779.61
	45,072.85	28,759.13	3,431.80	-	77,263.78
Unallocable expenses (net)					-
					(-)
Profit before taxes					78,779.61
					77,263.78
Tax expense					27,304.30
					27,032.55
Net profit for the year					51,475.31
					50,231.23

Particulars	As at / For the year ended 31 March 2017			
	Business segments			Total
	Vehicle financing	Other lending activities/ Fee based services	Treasury and Investment activities	
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
Segment assets	1,883,825.79	807,423.01	16,962.13	2,708,210.93
	1,714,324.95	652,116.17	19,992.57	2,386,433.69
Unallocable assets				7,906.32
				6,160.89
Total assets				2,716,117.25
				2,392,594.58
Segment liabilities	1,607,892.87	674,089.79	6,943.04	2,288,925.70
	1,451,908.69	540,042.05	9,837.09	20,01,787.83
Unallocable liabilities				4,485.33
				5,540.85
Total liabilities				2,293,411.03
				2,007,328.68
Other information				
Capital expenditure	279.49	-	-	279.49
	419.10	0.00	-	419.10

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	As at / For the year ended 31 March 2017			
	Business segments			Total
	Vehicle financing	Other lending activities/ Fee based services	Treasury and Investment activities	
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
Depreciation and amortisation	286.23	0.53	0.00	286.76
	<i>265.85</i>	<i>0.81</i>	<i>0.65</i>	<i>267.31</i>
Other significant non-cash expenses (Provision for Investments, standard assets, NPA, employee benefits etc)	4,928.82	1,118.31	-	6,047.13
	<i>3,580.71</i>	<i>480.07</i>	<i>88.16</i>	<i>4,148.94</i>

Note: Figures in *italics* relates to the previous year.

Note	Particulars
27.4	Related party transactions
27.4a	Details of related parties:
	Description of relationship
	Names of related parties
	Holding Company (Controlling Entity)
	Kotak Mahindra Bank Limited holds 51% of the Equity Share Capital Uday S. Kotak along with relatives and entities controlled by him holds 32.02% (Previous year 33.64%) of the equity share capital of Kotak Mahindra Bank Limited as on March 31, 2017
	Fellow Subsidiaries
	Kotak Mahindra Capital Company Limited
	Kotak Securities Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra Investments Limited
	Kotak Mahindra Old Mutual Life Insurance Limited
	Kotak Investment Advisors Limited
	Kotak Mahindra General Insurance Limited
	Key Management Personnel (KMP)
	Mr. Vyomesh Kapasi, CEO till 8 th December 2016 and as Managing Director w.e.f 9 th December 2016
	Joint Venture
	Kotak Mahindra Old Mutual Life Insurance Limited – Joint Venture with Kotak Mahindra Bank Limited, Old Mutual Financial Services (UK) plc and Kotak Mahindra Capital Company Limited
	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence
	Aero Agencies Limited

Note: Related parties have been identified by the Management.

Policy on dealing with Related Party transactions:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP).

The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year.

All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

					₹ in lakh
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
Non Convertible Debentures Redeemed	12,500.00	1,000.00			13,500.00
	-	(500.00)			(500.00)
Kotak Mahindra Old Mutual Life Insurance Ltd		1,000.00			1,000.00
		(500.00)			(500.00)
Non Convertible Debentures issued	35,000.00				35,000.00
	-				-
CP issued	-				-
	(31,394.81)				(31,394.81)
CP Outstanding	-				-
	(31,938.50)				(31,938.50)
Inter Corporate Deposit invested		15,000.00			15,000.00
		-			-
Kotak Mahindra Investments Limited		15,000.00			15,000.00
		-			-
Inter Corporate Deposit matured		15,000.00			15,000.00
		-			-
Kotak Mahindra Investments Limited		15,000.00			15,000.00
		-			-
Term loan repaid	6,000.00				6,000.00
	-				-
Term loan taken and Outstanding	6,000.00				6,000.00
	(6,000.00)				(6,000.00)
Unamortised Brokerage	937.31				937.31
	(762.52)				(762.52)
Commission received in advance		0.39			0.39
		(0.08)			(0.08)
Kotak Mahindra General Insurance Company Ltd		0.39			0.39
		(0.08)			(0.08)
Non Convertible Debentures Outstanding	(**) 41000	51,000.00			92,000.00
	(**) (32500)	(38,000.00)			(70,500.00)
Kotak Securities Limited		35,500.00			35,500.00
		(35,500.00)			(35,500.00)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in lakh					
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
					15,500.00
		(**) 15500			(2,500.00)
		(**) (2500)			(2,500.00)
Interest payable on debenture issued	1,503.28	2,230.77			3,734.05
	(1,864.13)	(1,427.91)			(3,292.04)
Kotak Securities Limited		1,063.88			1,063.88
		(1,059.88)			(1,059.88)
Kotak Mahindra Old Mutual Life Insurance Ltd		1,166.89			1,166.89
		(368.02)			(368.02)
Securitisation Portfolio sold outstanding Amount	16,221.82				16,221.82
Payable on account of Securitisation	1,177.49				1,177.49
	-				-
Unamortised Profit on Securitisation transaction	715.12				715.12
	-				-
Outstandings – Payables	324.15	11.33		0.19	335.67
	(264.31)	(12.12)		(0.83)	(277.26)
Kotak Mahindra Investments Limited		11.33			11.33
		(12.12)			(12.12)
Aero Agencies Limited		-		0.19	0.19
		-		(0.83)	(0.83)
Demat charges Payable		0.01			0.01
		(0.01)			(0.01)
Kotak Securities Limited		0.01			0.01
		(0.01)			(0.01)
Term Deposits Placed	1,480,623.98				1,480,623.98
	(1,213,309.95)				(1,213,309.95)
Term Deposits / Margin Deposits Outstanding	55,599.53				55,599.53
	(61,815.80)				(61,815.80)
Bonds Purchased and Outstanding	-				-
	(15,000.00)				(15,000.00)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

						₹ in lakh
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total	
Interest accrued on Bond Purchased	-				-	
	(10.97)				(10.97)	
Interest receivable on Term deposits (net of TDS)	747.25				747.25	
	(706.59)				(706.59)	
Deposits	0.10	25.90			26.00	
	(0.10)	(12.57)			(12.67)	
Kotak Mahindra Old Mutual Life Insurance Ltd		10.00			10.00	
		(10.00)			(10.00)	
Kotak Mahindra General Insurance Company Ltd		15.90			15.90	
		(2.57)			(2.57)	
Bank Balance in Current/OD Account	6,165.92				6,165.92	
	(2,844.59)				(2,844.59)	
Prepaid expense		11.74			11.74	
		-			-	
Kotak Mahindra Old Mutual Life Insurance Ltd		10.33			10.33	
		-			-	
Kotak Mahindra General Insurance Company Ltd		1.41			1.41	
		-			-	
Outstandings – Receivables	54.30	6.37			60.67	
	(102.09)	(47.28)			(149.37)	
Kotak Mahindra Old Mutual Life Insurance Ltd		0.20			0.20	
		(0.20)			(0.20)	
Kotak Securities Limited		-			-	
		(42.60)			(42.60)	
Kotak Mahindra Investments Limited		-			-	
		(0.57)			(0.57)	
Kotak Mahindra General Insurance Company Ltd		6.17			6.17	
		(3.91)			(3.91)	
Dividend on Equity Shares	10.70	10.28			20.98	
	(10.70)	(10.28)			(20.98)	
Kotak Securities Limited		10.28			10.28	
		(10.28)			(10.28)	

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

					₹ in lakh
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
Dividend paid on Preference Shares		-			-
		(10.00)			(10.00)
Kotak Securities Limited		-			-
		(2.50)			(2.50)
Kotak Mahindra Capital Company Limited		-			-
		(5.00)			(5.00)
Kotak Investment Advisors Limited		-			-
		(2.50)			(2.50)
Interest received on Term Deposits	5,862.32				5,862.32
	(4,273.45)				(4,273.45)
Referral fees received	252.38				252.38
	(125.55)				(125.55)
Fee based income		56.99			56.99
		(9.79)			(9.79)
Kotak Mahindra Old Mutual Life Insurance Ltd		2.26			2.26
		(2.70)			(2.70)
Kotak Mahindra General Insurance Company Ltd		54.73			54.73
		(7.08)			(7.08)
Rent received	560.60	5.25			565.85
	(527.72)	(4.96)			(532.68)
Kotak Mahindra Old Mutual Life Insurance Ltd		3.12			3.12
		(2.95)			(2.95)
Kotak Mahindra Asset Management Co Limited		2.13			2.13
		(2.01)			(2.01)
Profit amortised on Securitisation transaction	369.67				369.67
	-				-
Servicer fees on Securitisation transaction	29.47				29.47
	-				-
Interest on Cash Credit	58.26				58.26
	(76.15)				(76.15)
Interest income on Inter-Corporate Deposit		8.22			8.22
		-			-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

					₹ in lakh
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
	Kotak Mahindra Investments Limited		8.22		8.22
			-		-
	Brokerage paid		-		-
			(0.03)		(0.03)
	Kotak Securities Limited		-		-
			(0.03)		(0.03)
	Interest on debentures paid	2,401.16	5,181.93		7,583.09
		(4,364.96)	(3,951.32)		(8,316.28)
	Kotak Securities Limited		3,726.96		3,726.96
			(3,733.13)		(3,733.13)
	Kotak Mahindra Old Mutual Life Insurance Ltd		1,454.97		1,454.97
			(218.19)		(218.19)
	Discount expense on Commercial Paper	1,067.02			1,067.02
		(543.70)			(543.70)
	Data Processing Expenses	66.00			66.00
		(66.00)			(66.00)
	Common Establishment Expenses - Reimbursed	1,004.80	128.40		1,133.20
		(910.39)	(138.00)		(1,048.39)
	Kotak Mahindra Investments Limited		128.40		128.40
			(138.00)		(138.00)
	Arranger Fees paid	42.74			42.74
		(31.27)			(31.27)
	IPA Fees paid	2.00			2.00
		(2.00)			(2.00)
	Term loan interest	475.42			475.42
		(109.32)			(109.32)
	Guest House Charges paid	0.42			0.42
		(0.53)			(0.53)
	Gym Charges paid	0.25			0.25
		(0.25)			(0.25)
	Rent paid	541.88			541.88
		(517.15)			(517.15)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in lakh					
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
Referral fees paid	468.80				468.80
	(371.02)				(371.02)
Insurance Premium paid		14.94			14.94
		(6.73)			(6.73)
Kotak Mahindra Old Mutual Life Insurance Ltd		8.85			8.85
		(6.15)			(6.15)
Kotak Mahindra General Insurance Company Ltd		6.09			6.09
		(0.58)			(0.58)
Demat Charged paid	0.36	0.01			0.37
	(0.36)	(0.01)			(0.37)
Kotak Securities Limited		0.01			0.01
		(0.01)			(0.01)
Cost of travel tickets purchased				10.45	10.45
				(15.66)	(15.66)
Aero Agencies Limited				10.45	10.45
				(15.66)	(15.66)
Expense reimbursements by other company	31.65	0.73			32.38
	(119.49)	(43.23)			(162.72)
Kotak Mahindra Old Mutual Life Insurance Ltd		0.44			0.44
		(0.38)			(0.38)
Kotak Securities Limited		-			-
		(42.60)			(42.60)
Kotak Mahindra Asset Management Co Limited		0.30			0.30
		(0.26)			(0.26)
Expense reimbursements to other company	701.51	2.31			703.82
	(744.93)	(2.40)			(747.33)
Kotak Mahindra Investments Limited		2.31			2.31
		(2.40)			(2.40)
Reimbursement to Other Company - Employee transfer	5.16	0.28			5.44
	(11.96)	(15.61)			(27.57)
Kotak Mahindra Investments Limited		0.28			0.28
		-			-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in lakh					
27.4b	Holding Company	Fellow Subsidiaries	KMP	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	Total
Kotak Securities Limited		-			-
		(15.61)			(15.61)
Reimbursement by Other Company - Employee transfer	0.21	0.07			0.28
	(5.24)	(0.45)			(5.69)
Kotak Mahindra Investments Limited		0.07			0.07
		(0.45)			(0.45)
Reimbursement to Other Company - Purchase of Assets		-			-
		(0.23)			(0.23)
Kotak Mahindra Investments Limited		-			-
		(0.23)			(0.23)
Reimbursement by Other Company - Sale of Assets	2.00	-			2.00
	(0.97)	(0.57)			(1.54)
Kotak Mahindra Investments Limited		-			-
		(0.57)			(0.57)
Sale of Securitised assets	24,734.82				24,734.82
	-				-
Remuneration to key management personnel*			167.05		167.05
			(157.74)		(157.74)
Vyomesh Kapasi			167.05		167.05
			(157.74)		(157.74)

* Excludes provision for gratuity and compensated absences, since it is based on actuarial valuation done on an overall basis.

Note: Figures in bracket relates to the previous year

** Includes purchase and sale of NCDs in Secondary Market as follows:

Name of Related Party	Particulars of Secondary Market	2016-17	2015-16
Kotak Mahindra Bank Limited	Purchase of NCDs	6,000.00	-
	Sale of NCDs	20,000.00	20,000.00
Kotak Mahindra Old Mutual Life Insurance Ltd	Purchase of NCDs	22,500.00	3,500.00
	Sale of NCDs	8,500.00	2,000.00

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹ in lakh	₹ in lakh
27.5	Details of leasing arrangements		
	Income:- As Lessor / Sub-lessor		
27.5a	The Company has sublet some of the premises under cancellable operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The lease income is recognised in the Statement of Profit and Loss under Other Income.		
	The lease income recognised in the Statement of Profit and Loss under Other Income	554.14	519.51
	The sublease income recognised in the Statement of Profit and Loss under Other Income	11.71	13.17
		565.85	532.68
27.5b	The Company has taken various offices under cancellable operating lease or leave and license agreements. These are generally cancellable and range between 11 months and 9 years under leave and license agreement and are renewable by mutual consent on mutually agreeable terms.		
	Lease payments recognised in the Statement of Profit and Loss	855.31	865.71
27.6	Earnings per share		
27.6a	Basic		
	Profit for the year	51,475.31	50,231.23
	Less: Preference dividend and tax thereon	0.49	12.04
	Profit for the year attributable to the equity shareholders	51,474.82	50,219.19
	Weighted average number of equity shares	3,495,200	3,495,200
	Par value per share	10.00	10.00
	Earnings per share - Basic (₹)	1,472.73	1,436.80
27.6b	Diluted		
	Diluted EPS is the same as Basic EPS in view of absence of any dilutive potential equity shares.	1,472.73	1,436.80
27.7	Deferred tax assets		
	Tax effect of items constituting deferred tax liability		
	On expenditure deferred in the books but allowable for tax purposes	4,283.87	4,247.85
		4,283.87	4,247.85
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences, gratuity and other employee benefits	155.99	150.71
	Provision for doubtful debts / advances / standard assets	5,994.41	5,290.25
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	1.34
	On difference between book balance and tax balance of fixed assets	4,192.01	3,605.16
	On income amortised in books but taxed on accrual, basis	249.18	8.42
	Others	33.43	24.43
		10,625.02	9,080.31
	Net deferred tax asset	6,341.15	4,832.46

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note	Particulars							
27.8	Interest in joint ventures							
	The Company has interests in the following jointly controlled entities:							
							₹ in lakh	
	Name of company and country of incorporation	% of shareholding	Amount of interest based on Unaudited Financial Statements - year ended 31 March, 2017				Capital commitments	
			Assets	Liabilities	Income	Expenditure	Contingent liabilities	
	Kotak Mahindra	10.58	230,718.46	211,412.97	80,313.06	76,920.83	3,456.01	94.07
	Old Mutual Life Insurance Limited, India	(10.58)	(186,006.70)	(169,909.83)	(48,057.97)	(45,243.13)	(2,892.98)	(76.04)

Note: Figures in brackets relate to the previous year

Note	Particulars				
27.9	Details of provisions for contingencies				
	The Company has made provision for disputed liabilities relating to customer claims with respect to repossessed vehicles and other matters based on its assessment of the amount it estimates to incur to meet such obligations.				
	Particulars	As at 1 April, 2016	Additions	Deletions	As at 31 March, 2017
		₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
	Provision for contingencies	26.06	-	4.14	21.92
		(24.03)	(8.31)	(6.28)	(26.06)

Note: Figures in brackets relate to the previous year

Note	Particulars		
27.10	Details of Gross Investment, unearned finance income and present value of rentals under Lease		
		31-03-2017	31-03-2016
		₹ in lakh	₹ in lakh
	Gross Investment (A)		
	(a) not later than 1 year	8,601.26	8,299.28
	(b) between 1 and 5 years	15,499.33	13,333.69
		24,100.59	21,632.97
	Unearned Finance Income (B)		
	(a) not later than 1 year	2,101.23	1,909.72
	(b) between 1 and 5 years	2,203.60	1,917.14
		4,304.83	3,826.86
	Present value of rentals (A) - (B)		
	(a) not later than 1 year	6,500.03	6,389.56
	(b) between 1 and 5 years	13,295.73	11,416.55
		19,795.76	17,806.11

The Company is in the business of vehicle financing. The Company enters into finance lease agreements ranging between one to five years. The accumulated provision for uncollectible minimum lease payments receivable is ₹ 113.67 lakhs (Previous Year ₹ 106.48 lakhs)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 28 Disclosures on Employee share based payments and Corporate Social Responsibility

Note	Particulars
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28.1 Equity Settled Options

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

- (a) Kotak Mahindra Equity Option Scheme 2007; and
- (b) Kotak Mahindra Equity Option Scheme 2015

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

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

Consequent to the above, the Bank has granted stock options to employees of the Company. In accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOSs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank ₹ Nil (Previous year ₹ Nil) during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP Scheme" under Note 23 Employee Benefit Expenses.

Had the Company recorded the compensation cost computed on the basis of Fair Valuation method instead of Intrinsic Value method, employee compensation cost would have been higher by ₹ 71.67 lakhs (Previous year ₹ 50.98 lakhs) and the profit after tax would have been lower by ₹ 46.87 lakhs (Previous year ₹ 33.34 lakhs). On account of the same, the basic and diluted EPS of the Company would have been lower by ₹ 1.34 per share (Previous year ₹ 0.95 per share).

Stock Appreciation Rights

At the General Meeting of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligible employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme and the existing SARs will continue. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.37 years to 3.65 years.

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 8,380 SARs during FY 2016-17. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.37 years to 3.65 years.

Detail of activity under SARs is summarised below:

	31-03-2017	31-03-2016 (*)
Outstanding at the beginning of the year	17,936	23,912
Granted during the year	8,380	16,000
Reduction due to transfer of employees	-	1,676
Exercised during the year	9,480	20,300
Expired during the year	-	-
Outstanding at the end of the year	16,836	17,936

(*) Adjusted for issue of bonus shares – one share for every share allotted on 10th July, 2015.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Effect of share based payment to employees on the Statement of Profit and Loss and on its financial position

	31-03-2017	31-03-2016
	₹ in lakh	₹ in lakh
Total Employee Compensation Cost pertaining to share based payment plans	81.43	117.07
Closing balance of liability for cash settled options	83.68	73.68

28.2 Corporate Social Responsibility (CSR)

The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its holding company. KMBL is building its CSR capabilities on a sustainable basis and the Company is committed to gradually increase its CSR spend in the coming years. As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 1,532.16 lakhs during the year on CSR activities.

Details of CSR expenditure

a) Gross amount required to be spent during the year ₹ 1,532.16 lakhs (Previous year ₹ 1,444.41 lakhs)

	In Cash	Yet to be paid	Total
	₹ in lakh	in cash	₹ in lakh
Amount spent during the year ending on 31-03-2017			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	200.00	-	200.00

	In Cash	Yet to be paid	Total
	₹ in lakh	in cash	₹ in lakh
Amount spent during the year ending on 31-03-2016			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	201.00	-	201.00

28.3 Disclosure on Specified Bank Notes (SBN)

Disclosure on details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016

	Specified Bank Notes	Other Bank Notes	Total
	₹ in lakh	₹ in lakh	₹ in lakh
Closing cash in hand as on 08-November-2016	125.32	0.45	125.77
(+) Permitted receipts	-	547.78	547.78
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks	125.32	505.95	631.27
Closing cash in hand as on 30-December-2016	-	42.28	42.28

Note: Excludes voluntary deposits directly made into company's bank accounts without Company's authorisation, by customers / collection agency or their representatives on their own, for which the information regarding SBN's / other bank notes is not available with the company

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 29 Disclosures under Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Note 29.1 Note to the Balance Sheet of a non-banking financial company as required in terms of Para 16 (5) of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(a) Capital to Risk assets Ratio (CRAR)

Items	Current Year	Previous Year
(i) CRAR (%)	17.20	18.24
(ii) CRAR – Tier I Capital (%)	15.55	15.63
(iii) CRAR – Tier II Capital (%)	1.65	2.61

(b) Exposure to Real Estate Sector

Category	Current Year	Previous Year
(a) Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non fund based limits.	30,023,426,082 (*)	23,503,027,072 (*)
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	-	-
a. Residential		
b. Commercial Real Estate		
(b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

* Includes the Company's exposure to Real Estate sector of ₹ 3,267,219,873 (previous year ₹ 2,007,082,192) which is unsecured.

(c) Asset Liability Management

Maturity Pattern of Certain items of Assets and Liabilities

Particulars	₹ in crore								Total
	1 Day to 30/31 Days (One Month)	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	
Liabilities									
Borrowings from banks	759.96	271.00	-	281.23	20.00	200.00	-	-	1,532.19
Market Borrowings	1,771.35	1,313.59	1,557.12	3,253.32	4,748.88	7,000.15	454.10	90.00	20,188.51
Assets									
Advances	2,595.65	1,201.14	1,578.54	3,574.91	3,675.68	9,238.01	1,667.82	728.60	24,260.35
Investments	349.63	9.58	9.60	89.10	158.19	514.59	4.95	149.68	1,285.32

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the Auditors.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Liabilities side:

Particulars	(₹ in lakh)	
	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	1,455,106.84	NIL
: Unsecured (TierII: Sub-ordinated debts) (Other than falling within the meaning of Public deposits *)	56,023.81	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	153,244.38	NIL
(d) Inter-corporate loans and borrowing	28,126.55	NIL
(e) Commercial Paper	5,41,033.40	NIL
(f) Public Deposits*	NA	NA
(g) Other Loans	NIL	NIL
* Please see Note 1		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of Unsecured Debentures	NA	NA
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA
(c) Other public deposits	NA	NA
* Please see Note 1		

Assets side:

Particulars	(₹ in lakh)
	Amount Outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	299,705.49
(b) Unsecured	132,956.26
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	20,007.11
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	1,536.13
(b) Loans other than (a) above	1,961,308.31
Note : The above assets excludes investments which are in nature of AFC which is shown in below schedule(5)	
(5) Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	20,231.00
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(₹ in lakh)	
	Amount Outstanding	
2. Unquoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		33,507.67
(iii) Units of mutual funds		4,500.00
(iv) Government Securities		0
(v) Others – Pass through Certificates		3,372.12
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		1,089.00
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others		NIL
2. Unquoted :		
(i) Shares : (a) Equity		14967.87
(b) Preference		16666.67
(ii) Debentures and Bonds		31,285.30
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others – Pass through Certificates		2913.78

- (6) Borrower group-wise classification of assets financed as in (3) and (4) above
Please see Note 2 below

Category	(₹ in lakh)		
	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	2,254,252.52	161,260.78	2,415,513.30
Total	2,254,252.52	161,260.78	2,415,513.30

- (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):
Please see note 3 below

Category	(₹ in lakh)	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same Group	19,309.53	5,400.00
(c) Other related parties	NIL	NIL
2. Other than related parties		
Total	19,309.53	5,400.00

** As per Accounting Standard of ICAI (Please see Note 3)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(8) Other information

(₹ in lakh)

Particulars		Amount
(i)	Gross Non-Performing Assets	
(a)	Related parties	NIL
(b)	Other than related parties	21,679.83
(ii)	Net Non-Performing Assets	
(a)	Related parties	NIL
(b)	Other than related parties	9,145.15
(iii)	Assets acquired in satisfaction of debt	NIL

Notes:

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

29.3 Note to the Balance Sheet of a non-banking financial company as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

₹ in lakh

Sr No	Type of Restructuring Assets Classification Details	Other than CDR and SME Debt Restructuring					Total					
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured accounts as on April 1 of FY (opening figures) (*)	No of borrowers	-	2	-	1	3	-	2	-	1	3
		Amount Outstanding	-	10.41	-	47.29	57.70	-	10.41	-	47.29	57.70
		Provision there on	-	1.56	-	47.29	48.85	-	1.56	-	47.29	48.85
2	Fresh Restructuring during the year	No of borrowers	-	1	-	1	2	-	1.00	-	1.00	2
		Amount Outstanding	-	35.73	-	82.54	118.27	-	35.73	-	82.54	118.27
		Provision there on	-	3.57	-	82.54	86.11	-	3.57	-	82.54	86.11
3	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision there on	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision there on	-	-	-	-	-	-	-	-	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in lakh

Sr No	Type of Restructuring Assets Classification Details	Other than CDR and SME Debt Restructuring					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
5	Downgradation of restructured accounts during the FY	No of borrowers	-	-1	-	1	-	-1	-	1.00	-
		Amount Outstanding	-	-7.72	-	7.72	-	-7.72	-	7.72	-
		Provision there on	-	-1.16	-	7.72	6.56	-1.16	-	7.72	6.56
6	Write offs of restructured accounts during the FY	No of borrowers	-	1	-	-	1	1	-	-	1
		Amount Outstanding	-	2.69 (**)	-	-	2.69	2.69 (**)	-	-	2.69
		Provision there on	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures) (*)	No of borrowers	-	1	-	3	4	1	-	3	4
		Amount Outstanding	-	35.73	-	137.55	173.28	35.73	-	137.55	173.28
		Provision there on	-	3.57	-	137.55	141.12	3.57	-	137.55	141.12

(*) Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

(**) Includes recovery of ₹ 0.96 lakhs from the customers

29.4 Note to the Balance Sheet of a non-banking financial company as required in terms of paragraph 102 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

		31-03-2017
		No./Amount
		₹ in crores
1	No of SPVs sponsored by the NBFC for securitization transactions	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	First loss	-
	Others	-
4	Amount of exposures to securitization transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

29.5 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - the frauds detected and reported for the year amounted to ₹ 262.20 lakhs (Previous year ₹ 299.90 lakhs)

30 Note to the Balance Sheet of a non-banking financial company as required in terms of Para 70 (2) of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

30.1 Capital

Particulars	₹ in crore	
	Current Year	Previous Year
i) CRAR (%)	17.20	18.24
ii) CRAR – Tier I Capital (%)	15.55	15.63
iii) CRAR – Tier II Capital (%)	1.65	2.61
iv) Amount of subordinated debt raised as Tier-II capital	537.80	537.80
v) Amount raised by issue of Perpetual Debt instruments	-	-

30.2 Investments

Particulars	₹ in crore	
	Current Year	Previous Year
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,299.13	1,172.05
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	13.80	13.80
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	1,285.33	1,158.25
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	13.80	12.92
(ii) Add : Provisions made during the year	-	0.88
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	13.80	13.80

30.3 Derivatives: Forward Rate Agreement / Interest Rate Swap

Particulars	₹ in crore	
	Current Year	Previous Year
(i) The notional principal of Forward exchange contract / swap agreements	129.72	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Exchange Traded Interest Rate (IR) Derivatives

Particulars	₹ in crore	
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)		-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March 2017 (instrument-wise)		-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		-

Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

- (i) The Company has Board approved risk management policy in dealing with foreign currency derivative transactions including Full Currency Swap (FCS), Coupon Only Swap (COS), Principal Only Swap (POS), Options and Forwards. The policy provides for use of derivative instruments in managing risks. The Company undertakes such derivative transactions for hedging the underlying liability. In case of revaluation of derivative transactions, the same is recognised in the books of accounts as per the accounting policies of the Company. Policy provides for monitoring of derivative transactions and reporting to Board on quarterly basis.

Quantitative Disclosures

Particulars	₹ in crore	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount) For hedging	129.72	-
(ii) Marked to Market Positions [1]		
a) Asset (+)	-	-
b) Liability (-)	0.06	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

30.4 Securitisation

Sr No	Particulars	No. / Amount in ₹ crore
1	No of SPVs sponsored by the applicable NBFC for securitization transactions	-
2	Total amount of securitised assets as per books of the SPVs sponsored	-
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	First loss	-
	Others	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Sr No	Particulars	No. / Amount in ₹ crore
4	Amount of exposures to securitization transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-

30.5 Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	₹ in crore	
	Current Year	Previous Year
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

30.6 Assignment transactions

Particulars	₹ in crore	
	Current Year	Previous Year
(i) No. of accounts	8,915	-
(ii) Aggregate value (net of provisions) of accounts sold	236.50	-
(iii) Aggregate consideration	247.35	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	10.85	-

30.7 Non-Performing Financial Assets Purchased

Particulars	₹ in crore	
	Current Year	Previous Year
1 (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Non-Performing Financial Assets Sold

Particulars	₹ in crore	
	Current Year	Previous Year
1 No. of accounts sold	-	-
Aggregate outstanding	-	-
Aggregate consideration received	-	-

30.8 Exposure to Real Estate Sector

Particulars	₹ in crore	
	Current Year	Previous Year
Direct Exposure	-	-
(i) Residential Mortgages -	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non fund based limits.	3002.34 (*)	2,350.30 (*)
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate		
Total Exposure to Real Estate Sector		

* Includes the Company's exposure to Real Estate sector of ₹ 326.72 (previous year ₹ 200.71 crores) which is unsecured.

30.9 Exposure to Capital Market

Particulars	₹ in crore	
	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	163.48	115.42
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,644.34	1,159.26
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,247.11	1,193.26
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii) bridge loans to companies against expected equity flows / issues;		
(viii) all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market	3,054.93	2,467.94

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30.10 Details of financing of parent company products: Nil

30.11 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC : Nil

30.12 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil

30.13 Registration obtained from other financial sector regulators

IRDA registration: License No: CA 0271 (Licence with Kotak Mahindra General Insurance Limited)

License No: OKM 2346178 (Licence with Kotak Mahindra Old Mutual Life Insurance Limited)

30.14 Penalties imposed by RBI and other regulators: Nil

30.15 Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument Rating:

CRISIL:

Long term debt instruments and Long term bank facilities: Continues to be CRISIL AAA/Stable

Sub-ordinated debts: Continues to be CRISIL AAA/Stable

Nifty linked debentures: Continues to be CRISIL PP-MLD AA+/Stable

Short term debt instruments and Short term bank facilities: Continues to be CRISIL A1+

ICRA:

Long term debt instruments and Long term bank facilities: Continues to be [ICRA]AAA(Stable)

Sub-ordinated debts: Continues to be [ICRA]AAA(Stable)

Nifty linked debentures: Continues to be PP-MLD[ICRA]AAA(Stable)

Short term debt instruments: Assigned during the year [ICRA]A1+

Ind-RA:

Long term debt instruments: IND AAA/Stable; During the year, the Company requested for withdrawal of the rating since all outstanding instruments under the rating had been paid in full. The rating was withdrawn w.e.f. 29th December, 2016.

Issuer Rating:

Standard & Poor's:

Long term issuer credit rating: Continues to be BBB-(Stable)

Short term issuer credit rating: Continues to be A-3(Stable)

30.16 Remuneration of Directors and Transactions with non executive directors:

Name of Director	₹ in crore	
	Sitting Fees	Commission
Chandrashekhar Sathe	0.07	0.05
Prof. S Mahendra Dev	0.07	0.05
Total	0.14	0.10

30.17 Impact of prior period items on current year's profit and loss: Nil

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30.18 Circumstances in which Revenue Recognition has been postponed: Nil

30.19 Accounting Standard 21 -Consolidated Financial Statements (CFS) - Not Applicable

30.20 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenses in Statement of Profit and Loss	₹ in crore	
	Current Year	Previous Year
Provisions for depreciation on Investment	-	0.88
Provision towards NPA	39.28	22.60
Provision made towards Income tax	273.04	270.33
Other Provision and Contingencies (Provision for contingencies)	(0.04)	0.02
Provision for Standard Assets	20.39	17.47

30.21 Draw Down from Reserves: Nil

30.22 Concentration of Advances

Particulars	₹ in crore
	Amount
Total Advances to twenty largest borrowers	4,485.00
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	17.76%

30.23 Concentration of Exposures

Particulars	₹ in crore
	Amount
Total Exposure to twenty largest borrowers / customers	5,682.81
Percentage of Exposures to twenty largest borrowers / customers to Total Exposures of the applicable NBFC on borrowers / customers	22.51%

30.24 Concentration of NPAs

Particulars	₹ in crore
	Amount
Total Exposure to top four NPA accounts	26.37

30.25 Sector-wise NPAs

Sr No	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	-
2	MSME	-
3	Corporate borrowers	0.18%
4	Services	-
5	Unsecured personal loans	1.99%
6	Auto loans	1.07%
7	Other personal loans	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30.26 Movement of NPAs

Particulars	₹ in crore	
	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.36%	0.40%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	174.56	147.60
(b) Additions during the year	125.30	109.05
(c) Reductions during the year	83.07	82.09
(d) Closing balance	216.79	174.56
(iii) Movement of Net NPAs		
(a) Opening balance	88.50	84.14
(b) Additions during the year	48.86	50.87
(c) Reductions during the year	45.91	46.51
(d) Closing balance	91.45	88.50
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	86.06	63.46
(b) Provisions made during the year	76.44	58.18
(c) Write-off / write-back of excess provisions	37.16	35.58
(d) Closing balance	125.34	86.06

30.27 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary: Other Partner in the JV	Country	Total Assets
NA		

30.28 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	Domestic	Overseas
NA		

30.29 Customer Complaints

	No of cases
(a) No. of complaints pending at the beginning of the year	73
(b) No. of complaints received during the year	5,392
(c) No. of complaints redressed during the year	5,397
(d) No. of complaints pending at the end of the year	68

30.30 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Particulars	₹ in crore								
	Up to 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
Deposits									
Advances	2,595.65	1,201.14	1,578.54	3,574.91	3,675.68	9,238.01	1,667.82	728.60	24,260.35
Investments	349.63	9.58	9.60	89.10	158.19	514.59	4.95	149.68	1,285.32
Borrowings	2,531.31	1,584.59	1,557.12	3,534.55	4,768.88	7,200.15	454.10	90.00	21,720.70
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 31 Disclosures under Listing Agreement for Debt Securities

31.1 Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Debenture Trustees:

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel. : 022-40807000
Fax : 022-66311776
Email : itsl@idbitrustee.com

31.2 Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

	31-03-2017	31-03-2016
	₹ in lakh	₹ in lakh
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan		

31.3 Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Asset cover

The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 18.07 lakhs and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) with an asset cover ratio of minimum 1.00 time value of the debentures during the tenure of the debentures.

Note 32 Previous year's figures

32 Comparative financial information is presented in accordance with the 'Corresponding Figure' financial reporting framework set out in Auditing and Assurance Standard on Comparatives. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements, and are to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond with the figures of the current financial year.

For and on Behalf of the Board of Directors

Vyomesh Kapasi
Managing Director

Narayan S A
Director

Place: Mumbai

Dated: April 21, 2017

Harish Shah

Chief Financial Officer & Company Secretary

