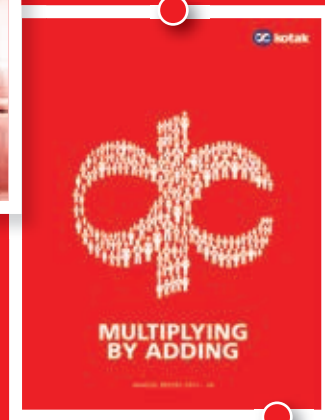


2016-17



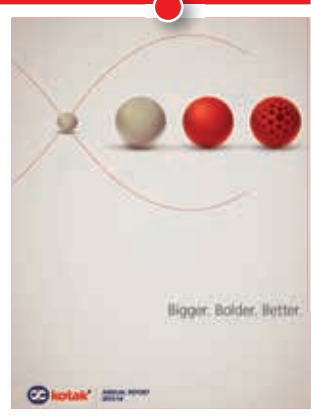
2015-16



Actions speak.



2014-15



2013-14



2012-13



2011-12

DIRECTORS' REPORT

To
the Members of

KOTAK SECURITIES LIMITED

Your Directors are pleased to present the 24th Annual Report together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

(₹ In Lac)

	Consolidated	
	Year ended 31 st March 2018	Year ended 31 st March 2017
Gross Income	165,454.84	123,865.76
Profit / (Loss) before Depreciation and Tax	81,888.38	56,506.85
Depreciation	2,290.88	2,177.49
Profit / (Loss) before Tax	79,597.50	54,329.36
Provision for Tax	26,502.45	18,202.81
Profit / (Loss) After Tax	53,095.05	36,126.55
Balance brought forward from previous year	279,802.49	243,675.94
Amount available for appropriation	332,897.54	279,802.49
Profit / (Loss) carried forward to the Balance Sheet	332,897.54	279,802.49
Earnings per share on equity shares of ₹ 10 each (Basic and Diluted)	3,318.44	2,257.91

DIVIDEND

In order to further consolidate your company's position, your Board proposes to employ the surplus resources to augment capital requirements, and does not recommend a dividend for the financial year 2017-2018 (hereinafter referred to as 'current financial year').

CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 is ₹1,60,00,000. During the year under review, the Company has not issued any shares.

SUBSIDIARIES

- **Kotak Mahindra Financial Services Limited (KMFSL)**

The audited financial statements and the Auditors Report thereon for the year ended 31st March, 2018 for KMFSL are annexed herewith.

FUTURE OUTLOOK

The benchmark Index, NIFTY and Sensex have shown a growth of ~9.5% and ~10.23% respectively, over the previous financial year end. Markets saw an almost secular rise with the peak gains of ~22.27% and ~23.75%. The events of FY 17 – 18 Demonitisation, US Elections, Brexit etc seemed to be taken in stride. Rupee was reasonably stable and was range bound. Markets seemed to have taken the Federal Reserve Rate hike in its stride; the rate was hiked twice during the year. The Reserve Bank of India on the other hand cut interest rates once.

Inflation has shown a moderate rise since July 2017 prompting RBI to hold rates and rate cuts may not be seen immediately. Interest rates are expected to be firm. Crude prices rose during FY 16-17, and continued to remain at those levels but there has been a sharper rise towards the end of FY 17- 18. This could put some pressure on the economy; retail fuel prices are at an all-time high. The Rupee which had gained against the USD remained range bound during the year but crude has shown a sharper rise in March and April 2018. Government initiatives and investments in infrastructure and other sectors seem to be paying off with the Economy growth rate back in the 7+% range. The much awaited GST was rolled out in July 2017; while there were hiccups and apprehensions, the roll out seems to be smoothing out. Longer term benefits are expected from the GST rollout. Mutual Fund AUMs continued to see a steady rise for large part of the year and have already started being a significant segment in the Capital Markets providing an able foil against FII. In November 2017, the Government announced steps to recapitalize a number of PSU banks, which resulted in renewed interest in PSU Bank stocks. However just a few months later a number of defaults and alleged scams have once again raised questions on PSU Bank stocks. Some of the defaults/ NPAs have put pressure on some of the Private Sector Banks as well. While the ruling party at the centre won the UP elections, many of the by poll elections were not in their favour. The next general elections are about a year away and it is expected that government policies would have an eye on the elections. The budget for FY18-19 introduced long term capital gains.

Donald Trump has completed more than a year in power. US markets have continued to rally and both the Dow Jones and NASDAQ indices have scaled life time highs. The fear of Trump's policies being pro US and protection of US industry / jobs have largely turned out true. A trade war of sorts has been triggered between the US and China and if not contained could affect other countries and international trade and commerce. Significant changes seem to be taking place in Saudi Arabia both on the economic and social front. Ties between the US and Saudi Arabia seem to be strengthening; the middle east and west Asia seems to be divided between followers of Saudi Arabia on the one hand and Iran on the other. President Putin has been elected for another term with a vast majority and tensions between the US, Britain, France and Russia seems to be increasing with air strikes over Syria by the former. North Korea has tested Nuclear weapons but has recently announced a stop to further Nuclear weapons development. In China Xi Ping has been made Premier for life and China is continuing attempts to dominate the neighboring and global economy. Both the Euro and the GBP have gained significantly against the USD. All in all a fairly challenging global scenario.

Cash market and Derivative market volumes showed a growth over FY 17-18 of ~27% and 62% respectively. Corporate results for FY 17-18 will be watched with keen interest as demonitisation and GST are now both completed events. Global factors will have an impact on corporate performance. Mutual Fund corpuses have grown and allocations to equities are at an alltime high. FY17-18 saw a number of Primary markets issuances and most have done well post listing and it is expected that this will continue in the coming year. The Banking sector troubles led by PSU Banks is still a dampener as it could affect credit growth and flow.

On the regulatory side, linking of Aadhar to financial sector accounts has commenced although there has been a stay on existing accounts. SEBI has also announced changes which will affect the Derivatives Market Segment. These changes cover selection of stocks in the derivative segment, norms on exposure to investors and physical settlement in certain cases in lieu of cash settlement. As an industry leader, your company continues to engage with Regulators in providing inputs on various issues and has representation on various committees at the Exchanges and SEBI. The industry continues to be fragmented but the large players account for bulk of market share. Digital products and strategy seems to be the way forward. While the Aadhar offers exciting options to market players in simplifying processes and offering products, there are several restrictions in its use. Your company has been at the forefront of use of technology and has a clear strategy to maintain its leadership position using the same.

AWARDS AND RECOGNITIONS

Your Directors are happy to report that during the year, your Company was recognized and felicitated for its exemplary performance in various fields. Some of the significant achievements are:

1. Gold at DMA Asia Echo awards in the Financial Services Sector for our campaign Agar Magar Jigar
2. Silver for Excellence in Branding and Marketing (Capability Award) – Best use of Data & Research at Asian Consumer Engagement Forum in September 2017.
3. Bronze at IDMA – Best PPC Campaign for Franchisee

OPERATIONS

The Financial Year 17 saw a growth in Cash Market volumes and there were expectations of FY 18 seeing a rise in volumes. The government had announced the GST roll out and there were apprehensions on the same. The effects of demonization on businesses was expected to taper off. The year was to see 2 major states going for elections – Uttar Pradesh and Gujarat and the performance of the party at the centre would be watched keenly. Oil prices, the Rupee and interest rates were expected to be stable. Corporate earnings were expected to be under some pressure due to the GST roll out.

The Sensex which closed at 29,620 at the end of the FY - 2016-17 (hereinafter referred to as 'previous financial year') closed at 32,968 at the end of the current financial year with a high of 36,283 and low of 29,319. Similarly, the benchmark Nifty which closed at 9,173 at the end of the previous financial year closed at 10,113 at the end of the current financial year with a high of 11,130 and low of 9,103.

Market average daily volumes increased to ₹ 33,630 crores from ₹ 24,511 crores in the previous financial year for the Cash Segment, and increased to ₹ 670,670 crores from ₹ 382,066 crores in the previous financial year for Derivatives Segment. With a significant growth in the Derivative Segment, the Cash Market share dwindled to less than 5% of the total market.

RETAIL SEGMENT

Retail market volumes in Cash Segment and Equity Derivatives Segment, recorded a significant increase over the volumes recorded in FY 16-17. Gold prices recorded the lowest price in July 2017 for the current financial year but showed a sharp rise since February 2018. Significant events during the year – Uttar Pradesh and Gujarat elections, capitalization of PSU banks, the increasing defaults on banks, introduction on long term capital gains, US China trade war etchad an effect on the retail participation during certain parts of the year. Real estate continues to be a drag on the other hand retail participation in Mutual Funds has shown a significant increase and the SIP as an investment tool has become very popular. Mutual Fund AUMs have seen record highs. Your company's focus on Cash Segment saw it further increase market share on the increased market volumes.

Customer acquisition resulted in addition of about 255,363 customers with a large part of them being online trading customers. Further simplification of onboarding is underway and could see a further increase in client acquisition. The mobile trading application continues to be a leader in the market. Further functionality and extensions have been introduced during the year. A number of other digital initiatives and products were introduced to increase ease of customer access and customer convenience. The total outlets stood at 1,325 at the end of the financial year. The number of registered sub brokers/ authorized persons stood at 1,782 for NSE and 1,289 for BSE.

INSTITUTIONAL EQUITIES

Market volumes for both Cash and Derivative Segments showed a growth over the previous year. Your company's Institutional Equities division continues its leadership position in the market emerging as a leader among the domestic players. Yields across the client segments continued to remain under pressure with Mutual Funds having a regulatory ceiling in paying commissions. MiFID II has been made applicable from January 2018. Your company has assessed the situation and made necessary arrangements with affected clients to ensure that there is minimal effect on business. Your company executed a number of block trades and distributed a large number of IPOs, QIPs and Open Offers. Technology investment continues and your company has the capability to cater a wide cross section of clients including providing DMA to low latency clients. The Institutional Equity Research has increased the width of stock coverage and is focusing on increasing it further. The Research and Sales have been recognized by various clients in voting for them. The Institutional Equities team was ranked #1 in Institutional Investors' Survey on Broking Firms All India for Research and Sales. It was also #1 Local Brokerage and #1 Overall Country Research Asiamoney Brokers Poll for India 2017.

PRIMARY MARKET

Like the last year, the current year also saw a number of issues in the Primary Markets. Most of the issues have done well even post listing. Some of the issuances have been through the Offer for Sale (OFS) route. Like the last year this year also there were issuances of gold linked bonds by the Government of India. In the current financial year, your Company was associated with the distribution of 210 Public Offer Issues, Debt Public Offer Issues, Buy backs, Offers for Sale, Gold linked bonds etc.

There are no material changes and commitments which occurred between the end of the financial year of the Company to which the financial statement relates and the date of the report affecting the financial position of the Company.

None of the regulators or court or tribunal have passed significant and material order which may impact the going concern status and company's operations in future.

RISK MANAGEMENT

Your Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Company has identified following key business risks and has suitable risk mitigates in place:

CREDIT RISK:

Credit risk is the risk of margin erosion due to market volatility/fluctuations, failure of clients to meet their financial obligations.

Your company has in place, a widespread credit policy to monitor clients margin requirement to prevent risk of default which includes well defined basis for categorization of securities, client-wise/ scrip-wise maximum exposure, segment-wise margin requirement, etc. for better management of credit risk.

MARKET RISK:

The risk of change in overall market or asset class due to the impact of economic conditions and/ or other factors impacting index, specific stocks. The value of investments are vulnerable to factors such as changes in economic conditions, interest rates, investor sentiments, developments in global markets, international and domestic political events and acts of war or terrorism.

VaR (value at risk) for proprietary trading is closely supervised by the Board and Board has defined maximum limits for VaR, exposure across various segments / trading strategies. Continuous monitoring of VaR, exposure limits and initiation of appropriate action is undertaken to minimize the impact of market risk.

LIQUIDITY RISK:

Liquidity of funds are critical to our business. Liquidity risk is prospective risk of liquidity gap involving margins to be placed with Exchange and a firm's capability to meet margin requirement.

Your company has a strong financial position and the business is adequately capitalized and, appropriate credit lines are available to address liquidity risk. Daily monitoring of margin utilization (requirement) vis-à-vis margin available is done to identify any liquidity gap and necessary arrangement of funds is carried out accordingly.

OPERATIONAL RISK:

The risk of loss that arises from shortcomings or failures in internal processes or systems and which can arise on account of inadequate systems, controls or human errors.

Your Company manages, the operational risks through well-defined operational processes, policies and systems which are reviewed on a periodical basis. Frequent audits by internal auditors further ensure adherence to defined processes and policies.

REGULATORY AND COMPLIANCE RISK:

The risk arising out of a change in laws and regulations governing our business.

Your company has dedicated Compliance Team whose primary responsibility is to circulate / guide the functional teams in implementing the various regulatory circulars, guidelines, etc. Further, regular Internal Audit carried out by regulators / Internal Auditors of the company ensures adherence to the regulatory / policies requirements on any specific area / function. Discussion of audit findings of various Regulators (including concurrent audits as mandated by SEBI / NSDL) with the Senior Management / Board is carried out.

COMPETITION RISK:

Strong growth prospects combined with liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies, thereby increasing the competition faced by your company. This also increases the risk of attrition of key personnel to the competitors.

Innovative products and services, approach in having fair and transparent dealings with the customers, employee engagement programs with objective oriented trainings help the company to maintain the company's brand image and thus differentiates your company from the competitors.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that there are internal controls in place with reference to the Financial Statement and that such controls are operating effectively.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Expenditure in Foreign Currency (on accrual basis):

- Travelling ₹ 26.65 Lakhs (Previous Year ₹ 19.92 Lakhs)
- Membership and Subscription ₹ 1115.13 Lakhs (Previous Year ₹ 64.14 Lakhs)
- Software ₹101.77 Lakhs (Previous Year ₹ 288.73 Lakhs)
- Business Promotion ₹ 10.07 Lakhs (Previous Year ₹ 253.06 Lakhs)
- Common Establishment Expenses - Reimbursement ₹1583.42 Lakhs (Previous Year ₹ 1620.13 Lakhs)
- Communication ₹ 253.61 Lakhs (Previous Year ₹ 334.48 Lakhs)
- Data Processing Charges ₹ 33.66 Lakhs (Previous Year ₹ 34.50 Lakhs)
- Others ₹ 0.19 Lakhs (Previous Year ₹ Nil)
- Professional Fees ₹ 182.41 Lakhs (Previous Year ₹ 166.42 Lakhs).
- Conference & Meeting ₹ 8.86 Lakhs (Previous Year ₹ 11.45 Lakhs).
- Commission ₹ 1,204.32 Lakhs (Previous Year ₹ 1,117.41 Lakhs).

(b) Earnings in Foreign Currency (on accrual basis): -

- Advisory Fees ₹ 1826.62 Lakhs (Previous Year ₹1,504.34 Lakhs)
- Other Income ₹ Nil (Previous Year ₹ 2.20 Lakhs)

DEPOSITS

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

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.43

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the period under review the Company has not given any loan or provided guarantee in connection with any loan to any other body corporate or person. Particular of investments made by the Company are forming part of notes to accounts.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is appended hereto and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Education and Livelihood. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as **Annexure A**.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure B**.

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 viz. URL <http://www.kotaksecurities.com/ksweb/Important-Policies> and regular communication is made for sustained awareness.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. APPOINTMENT

Mr. Deepak Shenoy was appointed as Company Secretary w.e.f. June 29, 2017.

II. RETIREMENT BY ROTATION

Mr. Narayan S.A retires by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

III. RESIGNATION

Ms. Deepali Thakkar resigned as Company Secretary during the year.

IV. DECLARATION FROM INDEPENDENT DIRECTORS

The Board consists of 2 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.

V. REMUNERATION POLICY

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.

Remuneration to the KMPs i.e. Managing Directors and the Company Secretary, is as per the terms of their employment.

VI. MEETINGS OF BOARD

During the year eight meetings of Board were held and required quorum were present during the meeting.

COMMITTEES OF THE BOARD

With a view to have more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Non-Mandatory Committees viz. Routine and Administrative Functions (RAF) Committee, First Tier Audit Committee (FTAC), Risk Management Committee and Conflict of interest committee.

- **Audit Committee**

The Committee consists of Mr. Narayan S.A as Chairman, Mr. Noshir Dastur and Ms. Falguni Nayar as its member. During the year five meetings of the Committee were held.

- **Nomination and Remuneration Committee**

The Nomination Committee consists of Mr. Narayan S.A. as Chairman, Mr. Noshir Dastur and Ms. Falguni Nayar as its members.

During the year two meetings of the Committee were held.

- **Corporate Social Responsibility Committee**

The Committee consists of Mr. Uday Kotak as Chairman, Mr. Narayan S.A. and Mr. Noshir Dastur as its members. During the year there were no meetings held, however, Committee took decisions through circular resolutions.

- **Routine and Administrative Functions (RAF) Committee**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian, Mr. Kamlesh Rao and Mr. Ravi Iyer as its members.

During the year twelve meetings of the Committee were held.

- **First Tier Audit Committee (FTAC)**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian, Mr. Kamlesh Rao, Mr. Ravi Iyer and Mr. Jaimin Bhatt as its members.

During the year three meetings of the Committee were held.

- **Risk Management Committee (Board)**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Kamlesh Rao and Mr. Ravi Iyer as its members.

During the year one meeting of the Committee was held.

- **Conflict of Interest Committee**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Kamlesh Rao and Mr. Trivikram Kamath as its members.

During the year one meeting of the Committee was held.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met separately to transact the business as mentioned in the Schedule IV of the Companies Act, 2013. All the Independent Directors were present at the meeting.

AUDITORS

- **Statutory Auditors:**

The Company's auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn No: 117366WW-100018), were appointed as Statutory Auditors of the Company for a period of 5 years at the 23rd Annual General Meeting of the Company held on 20th June 2017 to hold office till the conclusion of 28th Annual General Meeting.

Company has received a consent letter under section 139 of the Companies Act, 2013, from M/s. Deloitte Haskins & Sells LLP for their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as Auditors of the Company.

In terms of Section 139 of the Companies Act, 2013, the Board has recommended ratification of the terms of appointment to members at the AGM.

- **Secretarial Auditor:**

The Board had appointed Mrs. Rupal Jhaveri, Practising Company Secretary (Membership no. 5441), to carry out Secretarial Audit under the provisions of the Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor is annexed to this report as Annexure C.

EXPLANATIONS/ COMMENTS BY THE BOARD:

- On every qualification, reservation or adverse remark or disclaimer made by practicing CS in secretarial audit report.

NIL

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- 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 your Company as at 31st March, 2018 and of the profit of your Company for the financial year ended 31st March, 2018;
- They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- (iv) The annual accounts have been prepared on a going concern basis;
- (v) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- (vi) They had laid down internal financial control to be followed by the Company and that such internal financial control are adequate and are operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Uday S. Kotak

Chairman

DIN No. 00007467

Place: Mumbai

Date: April 23, 2018

ANNEXURE "A" CSR ACTIVITIES

- 1 The Company has a Corporate Social Responsibility (CSR) Committee consisting of the following Directors
 - a. Mr. Uday Kotak - Chairman
 - b. Mr. Narayan S.A. - Director
 - c. Mr. Noshir Dastur - Independent Director
- 2 Your Company's Board 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 - primary 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
- 3 The CSR policy is available on the Company's website viz. www.kotaksecurities.com
- 4 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:
 - a. The average net profit under section 198 of the Company for the last 3 financial years preceding 31st March, 2018 is ₹44,682 Lacs.
 - b. The prescribed CSR expenditure required under section 135 of the Companies Act, 2013 for FY 2017-18 is ₹893.64 lacs.
 - c. The CSR expenditure incurred for the period 1st April, 2017 to 31st March, 2018 under section 135 of the Companies Act, 2013 amounts to ₹ 150 Lacs as against ₹ 90 lacs CSR spend in the financial year 2016-17. The unspent amount for the F.Y. 2017-18 is ₹746.64 lacs.
 - d. CSR expenditure of ₹ 150 lac in F.Y. 2017-18 as a percentage of average net profit under section 198 of the Company at ₹4,468.2 Lacs is 0.34 %
- 5 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 Company's commitment to achieve the mandated spend can be seen from the increasing CSR spends over the years. In FY 2014-15, Company's CSR spend was ₹ 45 Lacs , in FY 2015-16 it was ₹80 Lacs, in FY 2016-17 it was ₹ 90 Lacs. In the reporting period, FY 2017-18, the CSR expenditure has been further increased to ₹ 150 Lacs.

The details of CSR activities and spends under section 135 of the Companies Act, 2013 for F.Y. 2017-18

Sr. 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: Direct or 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.	Promoting Education & Livelihood	Mumbai	₹ 15,000,000	₹ 8,156,000	₹ 1,616,000	₹ 33,000,000.00 (Out of this, Kotak Education Foundation has not utilised ₹5,228,000/- This will be used towards meeting expenses for FY 2018-19)	₹ 15,000,000 (Implemented through the Kotak Education Foundation-KEF)“
	The 'Mid-day Meal ' programme catering to approximately 8293 students from 17 partner schools, provides nutritious meal to pre-primary, 9 th std and 10 th std school children who are excluded from Government's mid-day-meal programme.							
	KEF has partnered with 44 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 40,636 beneficiaries.							
	Livelihood training is provided at 6 centres spread across the poorest neighbourhoods of the city. In 2017-18, 1371 aspirants were trained and several of them were placed at an average monthly salary of ₹ 10000/-							
Total CSR Spent U/S 135 of the Companies Act, 2013, During F.Y. 2017-18								15,000,000

Narayan S.A.

Director

Uday Kotak

Chairman - CSR Committee

Annexure B Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U99999MH1994PLC134051
ii) Registration Date	20 th July, 1994
iii) Name of the Company	Kotak Securities Limited
iv) Category / Sub-Category of the Company	Public Company limited by shares
v) Address of the Registered office and contact details	27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Income from Brokerage	99715210	54.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kotak Mahindra Bank Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	L65110MH1985PLC038137	Holding Company	74.99	Section 2(46) of the Companies Act, 2013
2	Kotak Mahindra Financial Services Limited Address: Office No. 703, Level 7, Office Tower – 2, Al Fattan Currency House, Dubai International Financial Centre, Post Box 16498, Dubai, UAE.	CL0888	Subsidiary Company	73.36	Section 2(87) of the Companies Act, 2013
3	Kotak Mahindra Prime Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	U67200MH1996PLC097730	Associate Company	49.00	Section 2(6) of the Companies Act, 2013
4	Kotak Infrastructure Debt Fund Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	U65910MH1988PLC048450	Associate Company	30.00	Section 2(6) of the Companies Act, 2013

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	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	5	5	0.0003	-	5	5	0.0003	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	400,010	5	400,015	25.00093	400,010	5	400,015	25.00093	
Total Public Shareholding (B)=(B)(1)+(B)(2)	400,010	5	400,015	25.00093	400,010	5	400,015	25.00093	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	400,010	1,199,990	1,600,000	100	400,010	1,199,990	1,600,000	100	-

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	
1.	Kotak Mahindra Bank Limited	1,199,985	74.99906	-	1,199,985	74.99906	-	-

(iii) Change in Promoters' Shareholding - THERE IS NO CHANGE

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

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

Sr No	Name of the Shareholder	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kotak Mahindra Capital Company Limited	At the beginning of the year	400,010	25.00063	400,010	25.00063
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	400,010	25.00063	400,010	25.00063
2.	Mr. T.V. Raghunath Jointly with Kotak Mahindra Bank Limited.	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
3.	Mr. Krishnan Venkat Subramanian Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
4.	Mr. Dipak Gupta Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
5.	Ms. Shanti Ekambaram Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
6.	Mr. Jaimin Bhatt Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No	Name of Director and Key Managerial Personnel	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Krishnan Venkat Subramanian Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding	-	-	-	-
		At the End of the year	1	0.00006	1	0.00006

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	87,500.00	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	(815.45)	-	-
Total (i+ii+iii)	-	86,684.55	-	-
Change in Indebtedness during the financial year				
• Addition	-	587,500.00	-	-
• Reduction	-	(460,000.00)	-	-
Net Change	-	1,27,500.00	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	215,000.00	-	-
ii) Interest due but not paid	-	(2,149.11)	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	212,850.89	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD		Total Amount
		Kamlesh Rao	Ravi Iyer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,21,856	3,52,37,021	7,12,58,877
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,39,85,268	1,41,38,481	2,81,23,749
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	Cost included in 1(b) above	Cost included in 1(b) above	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	5,00,07,124	4,93,75,502	9,93,82,626
	Ceiling as per the Act#		83,70,52,370	

B. Remuneration to other directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors		
		Noshir Dastur	Falguni Nayar	Total
1	Independent Directors			
	• Fee for attending board / committee meetings	5,10,000	2,10,000	7,20,000
	• Commission*	5,00,000	5,00,000	10,00,000
	• Others, please specify	-	-	-
	Total (1)	10,10,000	7,10,000	17,20,000
2.	Other Non-Executive Directors			
	• Fee for attending board / committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1 + 2)	10,10,000	7,10,000	17,20,000
	Total Managerial Remuneration	10,10,000	7,10,000	17,20,000
	Overall Ceiling as per the Act			83,70,52,370

*Subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		*Dipali Thakkar	Deepak Shenoy (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,10,763	930,661	10,41,424
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option		NIL	
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	Total	1,10,763	930,661	10,41,424

*KMP till May 9, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

ANNEXURE "C" Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
the Members of

KOTAK SECURITIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kotak Securities 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 Securities Limited 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 authorised 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 March 31, 2018 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kotak Securities Limited for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were complied by the Company during the Audit Period, to the extent applicable:
 - (a) SEBI (Stock Brokers and Sub-brokers) Regulations, 1992;
 - (b) SEBI (Depositories & Participants) Regulations, 1996;
 - (c) Depositories (Appeal to the Central Government) Rules, 1998;
 - (d) SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007;
 - (e) SEBI (Foreign Portfolio Investors) Regulations, 2017;
 - (f) SEBI (Intermediaries) Regulations, 2008;
 - (g) SEBI (Investment Advisers) Regulations, 2013;
 - (h) SEBI (Investor Protection and Education Fund) Regulations, 2009;
 - (i) SEBI [KYC (Know Your Client) Registration Agency) Regulations, 2011;
 - (j) SEBI (Mutual Funds) Regulations, 1996;
 - (k) SEBI (Portfolio Managers Regulations), 1993;

- (l) SEBI (Research Analysts) Regulations, 2014;
 - (m) SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003;
 - (n) SEBI'S master circular on AML/CFT and AML rules and regulation and Bye-Law and Circulars issued by said regulators from time to time;
 - (o) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (p) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (q) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (r) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (s) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (t) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (u) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;and
 - (w) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) 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 issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the above 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.

Companies Act 2013

1. The Company has a wholly owned subsidiary- Kotak Mahindra Financial Services Limited and has two Associate Companies-Kotak Mahindra Prime Limited and Kotak Infrastructure Debt Fund Limited, but it fulfils criteria for exemption stated under second proviso to Rule 6 of the Companies (Accounts) Rules, 2014. Accordingly, provisions with respect to consolidation of accounts stated under Sub- Section (3) of Section 129 of the Companies Act, 2013 are exempt to the Company.

Further, the requirement of attaching, a separate statement containing salient features of the financial statement of its subsidiary along with the Company's financial Statements is pursuant to first proviso to Sub- Section (3) of Section 129 of the Companies Act, 2013 and hence in the opinion of the Company the same is not required to be attached with the financial statements.

I further report that

The Board of Directors of the Company is constituted in accordance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance except in some cases where Board meetings were held at a short notice to transact urgent business, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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 in my opinion, there are no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai
Date: April 22, 2018

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

To
the Members of

KOTAK SECURITIES LIMITED

My 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.
My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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. My 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.
7. Decisions at the meetings of the Board of Directors of the Company were carried out unanimously.

Place: Mumbai
Date: April 22, 2018

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

INDEPENDENT AUDITOR'S REPORT

To The Members of of KOTAK SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Kotak Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

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 and the Order issued under section 143(11) of the Act.

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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. **As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable 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 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 of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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.
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. 117366W/W-100018)

R. LAXMINARAYAN
Partner
Membership No. 33023

Place: Mumbai
Date: April 23, 2018

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 on the financial statements of Kotak Securities Limited for the year ended 31st March, 2018)

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 Securities Limited** ("the Company") as of 31st March, 2018 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. LAXMINARAYAN
Partner
Membership No. 33023

Place: Mumbai
Date: April 23, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of Kotak Securities Limited ("the Company") for the year ended 31st March, 2018)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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) As explained to us, the Company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received by the management from the custodian at reasonable intervals and no discrepancies were noticed on comparing the statement from custodian with records maintained by the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (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 / goods and service tax, value added tax, cess and any 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 / goods and service tax, value added tax, cess and any other material statutory dues in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (c) As at March 31, 2018, the following are the particulars of dues on account of income tax and service tax that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
The Finance Act, 1994	Service tax	Custom Excise & Service Tax Appellate Tribunal	1999 – 2003	33	33
The Finance Act, 1994	Service tax	Custom Excise & Service Tax Appellate Tribunal	2004 – 2005	11	11
The Finance Act, 1994	Service tax	The Commissioner of Central Excise (Appeals)	October 2002 – March 2005	9	9
The Finance Act, 1994	Service tax	The Commissioner of Service Tax	2007 – 2010	50	50
The Finance Act, 1994	Service tax	The Commissioner of Service Tax	July 2012-September 2014	2430	2430
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2013-2014	707*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2014-2015	382*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2015-2016	2791	2791

(* Paid under protest)

- (viii) 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 and banks. The Company has not borrowed from Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (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 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 issued any fully or partly convertible debentures and hence reporting under clause (xiv) of the Order 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, subsidiary or associate company or persons connected with them and hence the provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

R. LAXMINARAYAN
Partner
Membership No. 33023

Place: Mumbai
Date: : 23rd April, 2018

Balance Sheet

as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No	As at	
		31 st March 2018	31 st March 2017
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	160.00	160.00
(b) Reserves and Surplus	4	352,529.83	299,434.78
		352,689.83	299,594.78
2. Non-Current Liabilities			
(a) Other Long-Term Liabilities	5	2,344.90	1,790.06
(b) Long-Term Provisions	6	1,293.22	1,331.08
		3,638.12	3,121.14
3. Current Liabilities			
(a) Short-Term Borrowings	7	212,850.89	86,684.55
(b) Trade Payables			
(i) Total Outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	8	228,415.21	221,648.72
		228,415.21	221,648.72
(c) Other Current Liabilities	9	13,765.78	6,115.14
(d) Short-Term Provisions	10	3,559.19	3,349.61
		458,591.07	317,798.02
Total		814,919.02	620,513.94
B. ASSETS			
1. Non-current assets			
(a) Fixed Assets	11		
(i) Property, Plant and Equipment		5,455.27	5,107.64
(ii) Intangible Assets		826.85	748.21
		6,282.12	5,855.85
(b) Non - Current Investments	12	115,295.27	113,544.87
(c) Deferred Tax Asset (Net)	13	619.90	529.02
(d) Long Term Loans and Advances	14	2,629.37	5,845.91
(e) Other Non Current Assets	15	23,934.81	17,158.52
		148,761.47	142,934.17
2. Current Assets			
(a) Current Investments	16	25,332.44	12,714.78
(b) Stock in Trade (Securities)	17	48,445.11	14,771.74
(c) Trade Receivables	18	170,120.92	203,851.00
(d) Cash and Bank Balances	19	297,052.17	224,399.46
(e) Short-Term Loans and Advances	20	121,673.63	18,589.89
(f) Other Current Assets	21	3,533.28	3,252.90
		666,157.55	477,579.77
Total		814,919.02	620,513.94

See accompanying notes forming part of the financial statements

1-44

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan

Partner

Mumbai

Date : 23rd April, 2018

For and on behalf of the Board of Directors

Uday S. Kotak

Chairman

Kamlesh Rao

Managing Director

Mumbai,

Date : 23rd April, 2018

K.V.S. Manian

Director

Ravi Iyer

Managing Director

Narayan.S.A

Director

Trivikram Kamath

Senior Executive Vice President

Deepak Shenoy

Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Note No	For the year ended 31 st March 2018	For the year ended 31 st March 2017
1. Revenue from Operations	22	151,800.34	111,381.08
2. Other Income	23	13,654.50	12,484.69
3. Total Revenue (1+2)		165,454.84	123,865.77
4. EXPENSES			
(a) Employee Benefits Expenses	24	31,941.58	27,370.51
(b) Finance Costs	25	10,628.44	5,269.80
(c) Depreciation and Amortisation Expense	11	2,290.88	2,177.49
(d) Other Expenses	26	40,996.44	34,718.61
Total Expenses		85,857.34	69,536.41
5. Profit Before Tax (3-4)		79,597.50	54,329.36
6. Tax Expenses			
(a) Current Tax		26,584.18	18,356.74
(b) (Excess)/ Short provision for tax relating to prior years(Net)		9.17	88.11
(c) Deferred Tax charge / (credit)		(90.90)	(242.04)
Total Tax Expenses		26,502.45	18,202.81
7. Profit for the year from continuing operations (5-6)		53,095.05	36,126.55
8. Earnings per Share (Face Value of ₹10 each)			
Basic and Diluted (In ₹) (Refer Note 39)		3,318.44	2,257.91

See accompanying notes forming part of the financial statements

1-44

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

R. Laxminarayan

Partner

Mumbai

Date : 23rd April, 2018

For and on behalf of the Board of Directors

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Director

Trivikram Kamath

Senior Executive Vice President

Deepak Shenoy

Company Secretary

Cash Flow Statement

for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
(A) Cash flow from operating activities		
Profit before tax	79,597.50	54,329.36
Add adjustments for :		
Depreciation and Amortisation Expense	2,290.88	2,177.49
Depreciation on Investment Property	45.29	45.30
Finance Costs	9,184.46	4,909.78
Interest income	(6,847.92)	(7,409.66)
Discount received on Debentures	-	(456.54)
Dividend income	(560.29)	(125.04)
Rental Income from Investment Property	(945.89)	(968.52)
Liabilities Written back as no longer required	(82.07)	(136.16)
Provision for doubtful debts (written back) / provided	(29.45)	164.82
Provision for contingencies written back (net)	(320.00)	-
Provision for diminution in Value of Stock in trade	234.24	-
Profit on sale of fixed assets (net)	(37.16)	(59.03)
Profit on sale of investments (net)	(2,935.98)	(2,065.14)
Net Unrealised exchange (Gain) / Loss (net)	(4.11)	0.63
(Writeback) / Provision for diminution in value of Investments	(413.45)	284.17
Operating profit before working capital changes	79,176.05	50,691.46
Changes in working capital		
Adjustment for increase / (decrease) in operating liabilities		
Other long term liabilities	554.84	284.09
Trade payables	6,848.57	105,219.51
Long term / short term provisions	447.98	251.41
Other current liabilities	2,760.14	6,069.88
Adjustment for (increase) / decrease in operating assets		
Loans and advances- long term and short term	(103,187.97)	(6,297.64)
Trade receivables	33,763.64	(108,226.21)
Stock in trade	(33,907.61)	(5,301.38)
Other current assets	396.20	(9.39)
Proceeds from fixed deposits redeemed/(Amount placed in fixed deposits) (net)	(80,471.79)	(81,471.09)
Cash (used in) / generated from operations	(93,619.95)	(38,789.36)
Income Tax paid (net of refunds)	(23,220.06)	(19,198.57)
Net cash used in operating activities (A)	(116,840.01)	(57,987.93)
(B) Cash flow from investing activities:		
Purchase of fixed assets (including capital advances)	(2,222.32)	(2,046.92)
Proceeds from sale of fixed assets	124.44	123.85
Sale of investments - non-current and current	3,082,773.36	2,120,218.50

Cash Flow Statement

for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Purchase of investments - non-current and current	(3,093,887.54)	(2,130,432.09)
Interest received	5,722.08	7,225.95
Dividend on investments	632.54	125.04
Advance received on sale of NSE shares	4,676.63	-
Rental Income from Investment Property	945.89	968.52
Net cash used in investing activities (B)	(1,234.92)	(3,817.15)
(C) Cash flow from financing activities:		
Proceeds /(repayments) from /of borrowings (net)	-	(2,086.13)
Proceeds from Commercial Paper	577,111.35	506,566.00
Repayments of Commercial Paper	(460,000.00)	(431,949.23)
Finance Costs	(79.21)	(75.19)
Net cash generated from financing activities (C)	117,032.14	72,455.45
Net (Decrease) / Increase in Cash and cash equivalents (A)+(B)+(C)	(1,042.79)	10,650.37
Cash and cash equivalents at the beginning of the year	11,302.06	651.69
Cash and cash equivalents at the end of the year	10,259.27	11,302.06

Notes:

1. Reconciliation of Cash and Cash equivalents with the Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Cash and Bank balances as per Balance sheet (Refer Note 19)	297,052.17	224,399.46
Less: Bank deposits with original maturity of more than 3 months not considered as cash and cash equivalents as defined in Accounting Standard 3 Cash Flow Statements	286,792.90	213,097.40
Cash and Cash equivalents at the end of the year	10,259.27	11,302.06

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS- 3) "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013
3. Figures of previous year are recast wherever necessary to conform to figures of the current year

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

R. Laxminarayan

Partner

Mumbai

Date : 23rd April, 2018

For and on behalf of the Board of Directors

Uday S. Kotak

Chairman

Kamlesh Rao

Managing Director

Mumbai,

Date : 23rd April, 2018

K.V.S. Manian

Director

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Managing Director

Narayan.S.A

Director

Trivikram Kamath

Senior Executive Vice President

Deepak Shenoy

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

1. CORPORATE INFORMATION

Kotak Securities Limited (The Company), a subsidiary of Kotak Mahindra Bank Limited (KMBL), was

incorporated on 20th July, 1994. It provides securities broking in cash equities segment, equity and currency derivatives segment, depository services, primary and secondary market distribution services. The Company is a member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MSEI). The Company is also a depository participant of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and is also registered as a portfolio manager with Securities and Exchange Board of India (SEBI). The Company is registered as a Mutual Fund Advisor with Association of Mutual Funds in India (AMFI) and also acts as a corporate agent of Kotak Mahindra Life Insurance Company Limited.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. i) 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 to comply with the accounting standards specified under section 133 and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except for the changes in accounting policies for stock in trade, (refer note 33) disclosed hereafter.

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

ii) Use of estimates

The preparation of financial statements to be in conformity with the Indian GAAP 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 reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

B. REVENUE RECOGNITION

Revenue is recognized when there is reasonable certainty of its ultimate realisation / collection.

1. Placement and other fee based income are accounted for on the basis of the progress of the assignment.
2. Brokerage Income (net of indirect taxes)
 - On primary market subscription / mobilisation is accounted on allotment after intimation is received by the Company.
 - On secondary market - income is recognised upon completion of brokerage services to its customers.
3. Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.
4. The profit or loss on sale of securities (Stock in trade) is recognised on trade date in the Statement of Profit and Loss.
5. Dividend income is recognised when the right to receive the dividend is established.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

6. Fee income includes mainly Depository Fees and Other charges recovered towards value added services provided to clients. Depository Fees (net of indirect taxes), is recognised on accrual basis and as per terms agreed with the customers. Other charges recovered from secondary broking customers are recognised upon completion of services.
7. (i) Portfolio management fees are accounted on accrual basis as follows:
 - (a) In case of fee based on fixed percentage of the corpus/ fixed amount, income is accrued over the period of the agreement.
 - (b) In case of fee based on the returns of the portfolio, income is accounted on the termination of the portfolio agreement / on each anniversary as per the agreement, whichever is earlier.
 - (c) In case of an upfront non-refundable fee, income is accounted in the year of receipt.
- (ii) Funds received from Portfolio Management Services (PMS) Investors and corresponding Investments made on their behalf are not forming part of these financial statements.

C. DISCOUNTED INSTRUMENTS

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

D. FIXED ASSETS – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

PROPERTY, PLANT AND EQUIPMENT

1. Property, Plant and Equipment are stated at acquisition cost inclusive of incidental expenses net of accumulated depreciation and accumulated impairment losses, if any.
2. Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Building	58 years
Furniture and Fixtures	6 years
Computers	3 years
Office Equipments	5 years
Motor Vehicles	4 years
3. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Statement of Profit and Loss.
4. Assets costing less than 5,000 are fully depreciated in the year of purchase.

INTANGIBLE

1. Intangible Assets are stated at acquisition cost, net of accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

2. Cost of software is amortised over a period of 3 years on Straight Line Basis.
3. Amortisation on additions to software is calculated pro-rata from the month of acquisition.

E. INVESTMENTS

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

Investment includes Investment in shares of a Company registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company has been classified as Investment property. Investment property is carried at cost less accumulated depreciation.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

G. STOCK IN TRADE

Securities acquired with the intention to trade are classified as stock- in- trade. Stock-in -trade is valued at lower of cost (calculated by applying the weighted average cost method) and fair value determined by the category of investment. The profit or loss on sale of securities is recognised on trade date in the Statement of Profit and Loss. In the current year, the company has changed its methodology to determine the carrying cost of stock in trade from lower of cost and fair value determined on an individual investment basis followed hitherto, to category of investment. Refer Note 33.

H. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date.

I. DERIVATIVES

1. (a) Outstanding derivative contracts 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 the 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 the fair value. In most cases the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.
- (b) 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 recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- 2 (a) "Initial Margin – Equity 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/ stock futures/ currency futures and equity index/ stock options/ currency options, which are released on final settlement / squaring – up of the underlying contracts, are disclosed under Short Term Loans and Advances. "Margin Deposits – Equity Derivative Instrument" representing the deposit paid in respect of mark to market margin is disclosed under Short Term Loans and Advances.
- (b) "Equity Index/ Stock Option Premium" represents the premium paid or received for buying or selling the options, respectively. Premium paid are disclosed under Short Term Loans and Advances as "Equity Index/stock Option Premium". Premium received are disclosed under Other Current Liabilities as "Equity Index/stock Option Premium". On settlement or squaring up of equity index/ stock options, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognised in the Statement of Profit and Loss.
3. Equity index/ stock futures/ stock options contracts are valued at cost, calculated by applying the weighted average cost method, and the profit/loss on such instruments is determined as the difference between sale price and weighted average cost.

J. SECURITIES LENDING AND BORROWING

- (a) Initial margin and /or additional margin paid over and above the initial margin, for entering into contracts for equity stock which are released on final settlement / squaring – up of the underlying contracts, are disclosed under Short term Loans and Advances.
- (b) On final settlement or squaring up of contracts for equity stocks, the realised profit or loss after adjusting the unrealized loss already accounted, if any, is recognised in the Statement of Profit and Loss.
- (c) The Lending and Borrowing fees are recognised on Pro- rata basis over the tenure of the contract.

K. EMPLOYEE BENEFITS

- (a) Defined Contribution Plan
 - i) Provident fund - Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss.
 - ii) Superannuation fund - The Company contributes a sum equivalent to 15% of eligible employees' salary subject to a maximum of ₹ 1.00 lac per eligible employee per annum, to the Superannuation Funds administered by trustees and managed by a Life Insurance Company. The Company recognises such contributions as an expense in the year when an employee renders the related service.

- (b) Defined Benefit Plan

Gratuity - The Company has a defined benefit plan for post-employment benefits in the form of gratuity. The Company has formed a Trust "Kotak Securities Employees Gratuity Trust" which has taken group gratuity policies with an insurance company which is funded. 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. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

- (c) 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, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the company's obligation is determined based on the projected unit credit method as at the Balance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Sheet date. Actuarial gains or losses are recognised in the Statement of Profit and Loss in the year in which they arise

(d) Short Term Employee Benefits

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.

L. EMPLOYEE STOCK APPRECIATION SCHEME

Cash-settled transactions:

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

M. BORROWING COST

Borrowing costs other than those relating to acquisition of qualifying assets are recognised as an expense in the period in which they are incurred.

N. 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 respect of taxable income for the year in accordance with the Income tax Act, 1961.

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.

O. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors in accordance with Accounting Standard – 28, Impairment of Assets. The carrying amount is reduced to the recoverable amount and reduction is recognised as an impairment loss in the Statement of Profit and Loss.

P. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Q. OPERATING LEASE

As Lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership, 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.

As Lessor

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

R. EARNINGS PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

S. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment Revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under

"unallocated revenue/expenses/assets/liabilities".

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at	
	31 st March 2018	31 st March 2017
NOTE 3: SHARE CAPITAL		
Authorised		
1,000,000 (Previous Year 1,000,000) Preference Shares of ₹100 each	1,000.00	1,000.00
6,000,000 (Previous Year 6,000,000) Equity Shares of ₹10 each	600.00	600.00
	1,600.00	1,600.00
Issued, Subscribed and Paid Up		
1,600,000 (Previous Year 1,600,000) Equity Shares of ₹10 each fully paid up	160.00	160.00
TOTAL	160.00	160.00

Rights, preferences and restrictions attached to equity shares :

- 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.
- 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

Equity shares held by holding company and subsidiary of holding company

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Kotak Mahindra Bank Limited (Jointly with nominees), Holding Company	1,199,990	120.00	1,199,990	120.00
Kotak Mahindra Capital Company Limited, subsidiary of Holding Company	400,010	40.00	400,010	40.00
	1,600,000	160.00	1,600,000	160.00

Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	1,600,000	160.00	1,600,000	160.00
Shares outstanding at the end of the year	1,600,000	160.00	1,600,000	160.00

List of Shareholders holding more than 5 % of equity share capital

Name of Shareholder	31 st March 2018		31 st March 2017	
	No. of shares	%	No. of shares	%
Kotak Mahindra Bank Limited and its nominees	1,199,990	75	1,199,990	75
Kotak Mahindra Capital Company Limited	400,010	25	400,010	25

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 4: RESERVES AND SURPLUS		
Securities Premium Account		
Balance as at the beginning and end of the year	2,350.35	2,350.35
General Reserve		
Balance as at the beginning and end of the year	17,281.94	17,281.94
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	279,802.49	243,675.94
Profit for the year	53,095.05	36,126.55
Balance as at the end of the year	332,897.54	279,802.49
TOTAL	352,529.83	299,434.78

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 5: OTHER LONG TERM LIABILITIES		
Security Deposits	2,344.90	1,790.06
TOTAL	2,344.90	1,790.06

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 6 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for Compensated Absences	733.67	809.34
Provision for other employee benefits		
- Provision for Stock Appreciation Rights (Refer Note 37 (B))	425.13	391.28
- Provision for Long Service Awards	134.42	130.46
TOTAL	1,293.22	1,331.08

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 7: SHORT TERM BORROWINGS		
Unsecured		
Commercial Paper (Payable at maturity)	215,000.00	87,500.00
Less : Discount not Written off	(2,149.11)	(815.45)
(Maximum amount outstanding during the year ₹ 255,000 Lakhs (Previous Year ₹295,000 Lakhs)	212,850.89	86,684.55
Rate of interest ranging from 6.55% to 8.10% (Previous year 6.65% to 8.25%)		
Tenure ranging from 32 days to 273 days (Previous year 7 days to 91 days)		
TOTAL	212,850.89	86,684.55

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 8: TRADE PAYABLES *		
(Other than acceptances)		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	228,415.21	221,648.72
TOTAL	228,415.21	221,648.72

* There are no delays in payments to micro and small enterprises as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 9: OTHER CURRENT LIABILITIES		
Income Received in Advance	67.41	33.83
Book Overdraft - Banks	1,665.63	-
Statutory Dues (including PF, Stamp duty, TDS)	1,659.94	2,221.02
Mark-to-Market Margin - Equity Index/Stock Futures	329.23	112.04
Less: Unrealised Gain	(329.23)	(112.04)
Equity Index/Stock Option Premium	537.09	283.20
Add/(Less):Unrealised Loss/(Gain)	(6.24)	(35.83)
Advance received for sale of NSE shares	4,676.63	-
Employee Benefits Payable	4,314.35	3,441.67
Gratuity Payable (Refer Note 29 (a))	599.63	133.78
Payable for Fixed Assets	251.34	37.47
TOTAL	13,765.78	6,115.14

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 10: SHORT-TERM PROVISIONS		
(a) Provision for Employee Benefits		
Compensated Absences	481.00	181.79
Stock Appreciation Rights (Refer Note 37 (B))	818.86	632.23
(b) Others		
Provision for Tax {Net of Advance Tax ₹ 60,535.48 Lakhs (Previous year ₹ 40,394.93 Lakhs)}	2,259.33	2,215.59
Contingencies	-	320.00
TOTAL	3,559.19	3,349.61

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

NOTE 11 : FIXED ASSET

(₹ in Lakhs)

DESCRIPTIONS	Gross Block			Depreciation/Amortisation			Net Block		
	As at 1 April 2017	Additions for the year	Disposals/ Adjustment for the year	As at 31 st Mar 2018	As at 1 April 2017	Charge for the year	On Disposals/ Adjustment for the year	As at 31 st March 2018	As at 31 st March 2018
Property, Plant and Equipment									
i) Leasehold Improvements	1,577.81	237.12	52.64	1,762.29	1,227.03	164.40	51.93	1,339.50	422.79
	(1,893.10)	(6.87)	(322.16)	(1,577.81)	(1,349.08)	(190.22)	(312.27)	(1,227.03)	(350.78)
ii) Building (a)	2,637.24	-	-	2,637.24	356.00	45.36	-	401.36	2,235.88
	(2,637.24)	-	-	(2,637.24)	(310.64)	(45.36)	-	(356.00)	(2,281.24)
iii) Furniture and Fixtures	199.42	50.17	30.03	219.56	189.85	41.77	28.67	202.95	16.61
	(220.44)	(13.76)	(34.78)	(199.42)	(210.14)	(14.17)	(34.46)	(189.85)	(9.57)
iv) Computers	8,310.78	1,043.05	359.01	8,994.82	7,122.18	925.23	359.01	7,688.40	1,306.42
	(7,874.92)	(491.14)	(55.28)	(8,310.78)	(6,103.56)	(1,073.90)	(55.28)	(7,122.18)	(1,188.60)
v) Office Equipments (b)	2,242.40	357.98	436.89	2,163.49	1,823.85	174.95	427.86	1,570.94	592.55
	(2,178.37)	(219.82)	(155.79)	(2,242.40)	(1,840.08)	(134.67)	(150.90)	(1,823.85)	(418.55)
vi) Motor Vehicles	1,542.72	495.24	230.35	1,807.61	683.82	396.94	154.17	926.59	881.02
	(1,291.79)	(522.72)	(271.79)	(1,542.72)	(579.07)	(326.82)	(222.07)	(683.82)	(858.90)
TOTAL (A)	16,510.37	2,183.56	1,108.92	17,585.01	11,402.73	1,748.65	1,021.64	12,129.74	5,455.27
Previous year	(16,095.86)	(1,254.31)	(839.80)	(16,510.37)	(10,392.57)	(1,785.14)	(774.98)	(11,402.73)	(5,107.64)
Intangible Assets (Acquired)									
Software (c)	3,101.25	620.87	-	3,722.12	2,353.04	542.23	-	2,895.27	826.85
	(2,371.05)	(730.20)	-	(3,101.25)	(1,960.69)	(392.35)	-	(2,353.04)	(748.21)
TOTAL (B)	3,101.25	620.87	-	3,722.12	2,353.04	542.23	-	2,895.27	826.85
Previous year	(2,371.05)	(730.20)	-	(3,101.25)	(1,960.69)	(392.35)	-	(2,353.04)	(748.21)
Total Assets (A+B)	19,611.62	2,804.43	1,108.92	21,307.13	13,755.77	2,290.88	1,021.64	15,025.01	6,282.12
Previous year	(18,466.91)	(1,984.51)	(839.80)	(19,611.62)	(12,353.26)	(2,177.49)	(774.98)	(13,755.77)	(5,855.85)

- Includes value of shares in a co-operative society , aggregating to ₹ 4.00 Lakhs registered in the name of the Company. Further it also includes part of a building given on operating Lease .
- Includes assets given on operating lease aggregating to ₹ 248.07 Lakhs (Previous Year ₹248.07 Lakhs) and the written down value of the assets as on 31st March,2018 is ₹ Nil (Previous year ₹Nil)
- Includes asset given on operating lease aggregating to ₹158.01 Lakhs (Previous Year ₹158.01 Lakhs) and the written down value of the assets as on 31st March,2018 is ₹ Nil (Previous year ₹Nil)
- Figures in brackets are of previous year

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 12: NON-CURRENT INVESTMENTS		
Non-current Investments (Other than Trade, unless otherwise stated)		
(At Cost, less diminution other than temporary in nature)		
(a) Investment property (at cost less accumulated depreciation)		
Cost of Building given on operating lease	2,633.25	2,633.25
Less: Accumulated depreciation	400.09	354.80
Cost Net of Depreciation	2,233.16	2,278.45

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
(b) Investment in Equity Instruments					
(i) Investment in Subsidiary (Unquoted, fully paid-up) (Trade)					
Kotak Mahindra Financial Services Limited (incorporated in Dubai, U.A.E.)	USD 1	1,239,000	585.57	1,239,000	585.57
(ii) Investment in Fellow Subsidiaries (Unquoted, fully paid-up)					
Kotak Infrastructure Debt Fund Limited	10	93,000,000	9,300.00	93,000,000	9,300.00
Kotak Mahindra Prime Limited	10	1,712,600	27,080.69	1,712,600	27,080.69
(iii) Others (Quoted, fully paid-up)					
BSE Limited	2	130,000	262.75	130,000	262.75
(c) Investment in Preference Shares (Unquoted, fully paid-up)					
(i) Investment in Fellow subsidiary					
8.5%,Cumulative Convertible Preference Shares of Kotak Mahindra Asset Management Company Limited (Date of Conversion on 05 th January, 2019))	10	-	-	8,500,000	850.00
(ii) Others					
Optionally convertible redeemable Preference Share of Indus Biotech Limited	100	175,000	605.33	175,000	605.33
(d) Investment in Debentures (Quoted, fully paid-up)					
Investment in Fellow Subsidiary					
10.50%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23 rd April, 2021)	1,000,000	1,500	15,000.00	1,500	15,000.00
11.00%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23 rd September, 2021)	1,000,000	500	5,000.00	500	5,000.00
11.25%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 28 th September, 2021)	1,000,000	400	4,000.00	400	4,000.00
10.40% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23 th September, 2022)	1,000,000	250	2,500.00	250	2,500.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
10.50% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 22 th Jun, 2023)	1,000,000	400	4,000.00	400	4,000.00
9.00% Unsecured Non Convertible Debentures of Kotak Mahindra Investments Limited (Date of Redemption on 31 st Dec 2025)	1,000,000	500	5,000.00	500	5,000.00
8.35% Unsecured Non Convertible Debentures of Kotak Mahindra Investments Limited (Date of Redemption on 18 th Dec 2026)	1,000,000	300	3,000.00	300	3,000.00
8.55% Unsecured Non Convertible Debentures of Kotak Mahindra Investments Limited (Date of Redemption on 24 th Mar 2027)	1,000,000	1,000	10,000.00	1,000	10,000.00
8.25% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 07 th Dec, 2027)	1,000,000	1,000	10,000.00	-	-
(e) Investment in Tax free Bonds (Quoted, fully paid-up)					
7.21% Tax Free Bonds of Power Finance Corporation Limited (Date of Redemption on 22 nd Nov,2022)	1,000,000	-	-	300	3,022.09
7.18% Tax Free Bonds of Indian Railway Finance Corporation Limited (Date of Redemption on 19 th Feb,2023) (under lien to National Securities Clearing Corporation Limited)	1,000	400,000	4,178.35	250,000	2,629.09
7.17% Tax Free Bonds of Rural Electrification Corporation Limited (Date of Redemption on 23 th July,2025)	1,000,000	-	-	50	502.70
7.19% Tax Free Bonds of Indian Railway Finance Corporation Limited (Date of Redemption on 31 th July,2025)	1,000,000	-	-	50	503.55
7.14% Tax Free Bonds of National Highways Authority Of India (Date of Redemption on 11 th Jan,2026) (under lien to National Securities Clearing Corporation Limited)	1,000	100,000	1,003.84	100,000	1,004.35
7.34% Tax Free Bonds of Indian Railway Finance Corporation Limited (Date of Redemption on 19 th Feb,2028) (under lien to National Securities Clearing Corporation Limited)	1,000	950,000	9,677.73	950,000	9,695.79

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
6.88% Tax Free Bonds of Indian Railway Finance Corporation Limited (Date of Redemption on 19 th Feb,2028) (under lien to National Securities Clearing Corporation Limited)	1,000	150,000	1,553.57	-	-
(f) Investment in Mutual Fund (Quoted, fully paid-up)					
Kotak Mahindra Mutual Fund (FMP Series 145-390 days (Date of original redemption 6 th April, 2015, rolled over upto 10 th April 2018))	10	-	-	25,000,000	2,500.00
Kotak Mahindra Mutual Fund (FMP Series 146 - 388 Days (Date of original redemption 6 th April, 2015, rolled over upto 10 th April 2018))	10	-	-	15,000,000	1,500.00
ICICI Prudential Mutual Fund (FMP Series 72 -409 Days Plan S (Date of original redemption 9 th April, 2015, rolled over upto 24 th May 2018))	10	-	-	15,000,000	1,500.00
Birla Sun Life Mutual Fund (FMP Series KP (1504 days) (Date of original redemption 15 th April, 2015, rolled over upto 18 th April 2018))	10	-	-	7,500,000	750.00
HDFC Mutual Fund (HDFC Charity fund for cancer cure-Debt Fund (Date of Redemption on 05 th May 2020))	10	500,000	50.00	500,000	50.00
(g) Investment in Others (Unquoted)					
Units of Venture Capital Fund:					
Kotak Alternate Opportunities India Fund (Fully Paid up)		-	340.03	-	474.83
Less : Provision for Diminution in Value of Investment			(177.01)		(158.89)
			163.02		315.94
Kotak India Growth Fund II (partly paid-up)		200	101.26	200	108.57
Total Long-Term Investments (a+b+c+d+e+f+g):			115,295.27		113,544.87
Aggregate Value of Quoted Investments					
- At Book Value			75,226.24		72,420.32
- At Market Value (Value of debentures which have not traded have been taken at Book Value and MF units which have not traded have been taken at Net Asset Value of the fund)			77,014.78		76,179.58
Aggregate Value of Unquoted Investments					
- At Book Value			40,069.03		41,124.55
Aggregate provision for diminution in value of Investment			177.01		158.89

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 13: DEFERRED TAX ASSET (NET)		
Deferred Tax Asset		
Provision for Doubtful Debts and Contingencies	322.87	440.70
Provision for Leave Encashment	424.45	343.01
Provision for Stock Appreciation Rights	435.08	354.22
Others	29.55	41.44
	1,211.95	1,179.37
Deferred Tax Liability		
Depreciation	39.06	161.77
Accrued Interest on Debentures	435.76	436.87
Unrealised Gain on Derivative Contracts	117.23	51.71
	592.05	650.35
TOTAL	619.90	529.02

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 14: LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Staff Loans	19.25	24.21
Advances Recoverable in Cash or Kind or for Value to be Received	47.41	12.59
Capital Advances	88.96	457.20
Prepaid Expenses	20.84	112.90
Advance Tax {Net of Provision ₹28,010.27 Lakhs (Previous year ₹ 33,486.57 Lakhs)}	1,138.41	4,090.94
Deposits with Exchanges/Depositories	335.80	306.20
Deposits -Including Premises	978.70	841.87
TOTAL	2,629.37	5,845.91

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 15: OTHER NON CURRENT ASSETS		
Other Bank Balances		
Fixed Deposits (with maturity of more than 12 months)*	23,934.81	17,158.52
TOTAL	23,934.81	17,158.52

* Fixed deposits include ₹ 21,106.81 Lakhs (Previous Year ₹ 9,929.45 Lakhs) which is under the lien of National Securities Clearing Corporation Limited and ₹ 1,000 Lakhs (Previous Year ₹3,521.82 Lakhs) which is under the lien of Indian Clearing Corporation Limited and ₹ 25 Lakhs (Previous year ₹ 1,061.15 Lakhs) which is under the lien of Metropolitan Stock Exchange of India Limited (MSEI) and 28 Lakhs (Previous Year ₹ 75 Lakhs) which is under the lien of National Stock Exchange Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
NOTE 16: CURRENT INVESTMENTS (OTHER THAN TRADE)					
(At cost or fair value, whichever is lower)					
(a) Investment in Equity Instruments (Unquoted, fully paid-up)					
Siro Clinpharma Private Limited	10	-	-	998	446.29
NSE Limited	1	873,683	8,082.44	-	-
(b) Investment in Debentures (Quoted, fully paid-up)					
(i) Investment in Fellow Subsidiary					
9.50%, Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 30 th August, 2017)	1,000,000	-	-	500	5,000.00
(c) Investment in Mutual Fund (Quoted, fully paid-up)					
Birla Sun Life Mutual Fund (FMP Series KT 1119 days (Date of original redemption 2 nd April, 2015, rolled over upto 10 th April 2017))	10	-	-	17,000,000	1,700.00
DSP Black Rock Mutual Fund (FMP - Series 152 - 12.5M (Date of original redemption 6 th April, 2015, rolled over upto 11 th April 2017))	10	-	-	20,000,000	2,000.00
HDFC Mutual Fund (FMP Series 29 -400 Days (Date of original redemption 14 th April, 2015, rolled over upto 22 nd May 2017))	10	-	-	10,000,000	1,000.00
ICICI Prudential Mutual Fund (Series 73 -407 Days Plan C (Date of original redemption 16 th April, 2015, rolled over upto 27 th April 2017))	10	-	-	10,000,000	1,000.00
Kotak Mahindra Mutual Fund (FMP Series 142-420 days Date of original redemption 24 th April, 2015, rolled over upto 3 rd April 2017))	10	-	-	20,000,000	2,000.00
Kotak Mahindra Mutual Fund (FMP Series 145-390 days (Date of original redemption 6 th April, 2015, rolled over upto 10 th April 2018))	10	25,000,000	2,500.00	-	-
Kotak Mahindra Mutual Fund (FMP Series 146 - 388 Days (Date of original redemption 6 th April, 2015, rolled over upto 10 th April 2018))	10	15,000,000	1,500.00	-	-
ICICI Prudential Mutual Fund (FMP Series 72 -409 Days Plan S (Date of original redemption 9 th April, 2015, rolled over upto 24 th May 2018))	10	15,000,000	1,500.00	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Birla Sun Life Mutual Fund (FMP Series KP (1504 days) (Date of original redemption 15 th April, 2015, rolled over upto 18 th April 2018))	10	7,500,000	750.00	-	-
Kotak Liquid Fund Direct Plan Growth	1,000	312,806.32	11,000.00	-	-
Total Current Investments (a+b+c)			25,332.44		13,146.29
Less : Provision for Diminution in Value of Investment		-	-	-	(431.51)
Total Current Investments			25,332.44		12,714.78
Aggregate Value of Quoted Investments					
-At Book Value			17,250.00		12,700.00
-At Market Value			19,758.26		14,933.71
Aggregate Value of Unquoted Investments					
-At Book Value			8,082.44		14.78
Aggregate provision for diminution in value of Investment			-		431.51

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
NOTE 17: STOCK IN TRADE (SECURITIES)					
Equity Shares					
3M India Limited	10	1,278	241.46	90	9.61
Aarti Industries Limited	5	33,000	373.70	3,000	22.78
Adani Ports And Special Economic Zone Limited	2	-	-	5,000	14.95
Aditya Birla Capital Limited	10	30,000	45.30	-	-
Aegis Logistics Limited	1	48,000	119.52	-	-
Alkem Laboratories Limited	2	5,900	126.22	-	-
Ambuja Cements Limited	2	5,002	11.68	-	-
Andhra Bank	10	40,000	17.01	-	-
Apar Industries Limited	10	-	-	3,800	21.86
APL Apollo Tubes Limited	10	-	-	1,000	9.05
Apollo Hospitals Enterprise Limited	5	2,501	25.82	-	-
Areva T&D India Limited	2	2,000	8.22	20,000	63.08
Arvind Mills Limited	10	8,000	30.94	-	-
Asea Brown Boveri Limited	2	37,889	529.27	-	-
Ashoka Buildcon Limited	5	-	-	13,000	24.59
Asian Paints Limited	1	4,200	47.07	-	-
Associated Cement Companies Limited	10	24,001	362.35	-	-
AU Small Finance Bank Limited	10	20,000	120.83	-	-
Aurobindo Pharma Limited	1	56,800	315.81	-	-
Avenue Supermarts Limited	10	4,000	53.81	-	-
Axis Bank Limited	2	31,368	159.05	2,002	9.83
Bajaj Auto Limited	10	2,001	55.73	750	21.04
Bajaj Corp Limited	1	-	-	8,000	29.67

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Bajaj Finance Limited	2	4,000	70.67	-	-
Bajaj Finserv Limited	5	21,125	1,086.83	900	28.56
Balkrishna Industries Limited	2	-	-	2,000	23.06
Balmer Lawrie & Company Limited	10	-	-	28,500	45.26
Balmer Lawrie Investments Limited	10	-	-	5,000	13.72
Bank Of India	10	834,000	842.39	1	0.00
Bayer Cropscience Limited	10	-	-	800	30.37
BEML Limited	10	-	-	3,600	47.12
BF Utilities Limited	5	-	-	1,500	5.97
Bharat Electronics Limited	1	-	-	128,500	196.74
Bharat Financial Inclusion Limited	10	14,000	151.48	250	2.02
Bharat Forge Co Limited	2	14,400	101.51	3,600	36.97
Bharat Heavy Electricals Limited	2	-	-	55,002	89.57
Bharat Petroleum Corporation Limited	10	156,605	656.19	2,400	15.60
Bharti Airtel Limited	5	32,300	128.42	-	-
Bharti Infratel Limited	10	-	-	60,804	198.16
Biocon Limited	5	37,800	224.61	-	-
BLS International Services Limited	1	20,000	23.45	-	-
Bosch Limited	10	225	40.41	25	5.01
Britannia Industries Limited	2	14,500	685.99	1,000	30.53
Cairn India Limited	10	-	-	539,402	1,605.17
Can Fin Homes Limited (Previous Year Face Value ₹10)	2	6,250	31.39	1,400	21.72
Canara Bank Limited	10	19,203	50.55	12,336	37.25
Capital First Limited	10	800	4.97	-	-
CARE Ratings Limited	10	500	6.85	-	-
CCL Products (I) Limited	2	-	-	5,000	12.55
CEAT Limited	10	2,100	31.58	-	-
Central Depository Services Limited	10	43,000	127.43	-	-
Century Textiles & Industries Limited	10	1,985	22.65	-	-
CESC Limited	10	2,750	26.43	47,300	392.65
Cholamandalam Dbs Finance Limited	10	7,496	109.00	-	-
Cipla Limited	2	-	-	501	2.97
Coal India Limited	10	6,601	17.72	3	0.01
Coffee Day Enterprises Limited	10	-	-	13,300	30.71
Colgate-Palmolive (India) Limited	1	-	-	2,000	18.05
Coromandel International Limited.	1	18,500	94.52	-	-
CRISIL Limited	1	-	-	8,700	162.42
Crompton Greaves Consumer Electrcials Limited	2	35,000	78.57	-	-
Dabur India Limited	1	59,942	191.08	-	-
Dalmia Bharat Limited	2	-	-	1,500	28.53
DCB Bank Limited	10	4,500	7.33	-	-
Delta Corp Limited	1	-	-	12,000	13.13
Dhanuka Pesticides Limited	2	-	-	121,252	943.83
Dilip Buildcon Limited	10	8,000	77.49	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Dish Tv India Limited	1	1	0.00	-	-
Dishman Pharmaceuticals And Chemicals Limited	2	-	-	5,000	11.40
Dr Reddy'S Laboratories Limited	5	50,500	1,069.73	200	5.26
Dr. Lal Pathlabs Limited	10	-	-	5,258	50.87
Edelweiss Financial Services Limited.	1	-	-	20,000	27.50
Eicher Motors Limited	10	4,325	1,213.05	1	0.24
Emami Limited	1	-	-	1,500	15.52
Endurance Technologies Limited	10	4,000	51.35	4,000	27.45
Engineers India Limited	5	-	-	14,000	20.15
Entertainment Network (India) Limited	10	10,000	78.57	-	-
Finolex Cables Limited	2	-	-	5,800	24.86
Garware-Wall Ropes Limited	10	10,330	96.69	2,000	11.80
Gas Authority Of India Limited	10	133,344	452.09	-	-
Gateway Distriparks Limited	10	-	-	44,606	112.00
Glaxo Smithkline Consumer Healthcare Limited	10	-	-	600	30.10
Glenmark Pharmaceuticals Limited	1	56,700	300.41	-	-
Godfrey Phillips India Limited	2	100	0.82	-	-
Godrej Industries Limited	1	-	-	27,001	135.82
Godrej Properties Limited	5	25,840	201.34	-	-
Goldman Sachs Liquid Exchange Traded Scheme	1,000	525	2.78	-	-
Goodyear India Limited	10	-	-	2,500	17.86
Graphite India Limited	2	-	-	19,566	14.62
Grasim Industries Limited	2	171,000	1,830.57	-	-
Greenply Industries Limited	1	15,000	50.70	-	-
Grindwell Norton Limited	5	10,676	54.31	-	-
Gujarat Industries Power Co Limited	10	-	-	15,000	14.37
Gujarat State Fertilizers & Chemicals Limited	2	45,000	52.48	-	-
Gulf Oil Lubricants India Limited	2	-	-	1,387	9.29
Hatsun Agro Product Limited	1	-	-	20,600	76.06
Havells India Limited	1	20,000	98.26	-	-
HCL Technologies Limited	2	1	0.01	-	-
HDFC Bank Limited	2	-	-	1	0.01
Healthcare Global Enterprises Limited	10	-	-	2,000	4.58
Hero Motocorp Limited	2	-	-	700	22.55
Hexaware Technologies Limited	2	12,005	45.24	-	-
Hindalco Industries Limited	1	-	-	50,000	95.24
Hindustan Construction Company Limited	1	105,000	24.38	-	-
Hindustan Petroleum Corporation Limited	10	44,178	151.21	-	-
Hindustan Sanitaryware & Industries Limited	2	-	-	3,000	8.43
Hindustan Unilever Limited	1	19,063	255.81	5,200	45.95
Hindustan Zinc Limited	2	-	-	52,500	151.62
Honeywell Automation India Limited	10	-	-	360	35.83
Housing Development And Infrastructure Limited	10	72,000	28.25	-	-
Housing Development Finance Corporation Limited	2	27,000	423.26	34,000	425.27

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Htmt Global Solutions Limited	10	-	-	15,000	73.45
ICICI Bank Limited	2	2,166,107	6,204.60	30,000	70.59
ICICI Prudential Life Insurance Company Limited	10	-	-	3,826	12.93
IDBI Bank Limited	10	20,000	14.97	-	-
Idea Cellular Limited	10	7,000	5.46	14,000	12.02
IFB Industries Limited.	10	6,220	82.10	3,000	13.01
Indiabulls Housing Finance Limited	2	23,600	289.58	1,600	15.63
Indian Hume Pipe Company Limited	2	-	-	6,926	25.82
Indian Oil Corporation Limited	10	15,000	24.84	9,000	34.28
Indo Count Industries Limited	2	-	-	3,500	6.79
Infibeam Incorporation Limited	1	357,000	530.56	400	3.79
Infosys Technologies Limited	5	8,400	95.03	36,000	368.01
Infrastructure Dev Finance Company Limited	10	-	-	665,000	362.18
INOX Leisure Limited	10	56,643	146.10	6,829	16.37
IPCA Laboratories Limited	2	19,000	128.05	-	-
IRB Infrastructure Developers Limited	10	-	-	2,500	5.83
ITC Limited	1	1,032,000	2,656.76	-	-
J K Cements Limited	10	-	-	2,000	17.66
J M Financial Limited	1	65,000	88.21	-	-
Jet Airways (India) Limited	10	8,600	54.16	2,000	10.38
Jindal Steel & Power Limited	1	21,000	43.96	-	-
JK Lakshmi Cement Limited	5	40,000	168.22	4,000	14.65
Jubilant Life Sciences Limited	1	-	-	3,600	21.54
Just Dial Limited	10	25,200	111.30	-	-
Jyothy Laboratories Limited	1	27,000	101.18	2,000	6.24
Kalpataru Power Transmission Limited	2	12,115	55.53	-	-
Kansai Nerolac Paints Limited	1	-	-	35,000	120.91
KEC International Limited	2	16,000	58.29	-	-
KNR Constructions Limited	2	28,000	81.12	13,500	17.42
Kolar Biotech Limited	1	10,000	-	10,000	-
Kwality Limited	1	-	-	23,600	36.65
L & T Finance Holdings Limited	10	58,501	89.85	-	-
L&T Technology Services Limited	2	6,000	82.57	-	-
Larsen & Toubro Infotech Limited	1	-	-	3,000	20.40
Larsen & Toubro Limited	2	-	-	22,000	331.00
LIC Housing Finance Limited	2	8,800	47.50	-	-
Lupin Limited	2	138,000	1,019.14	600	8.67
Mahanagar Gas Limited	10	-	-	3,400	26.16
Mahindra & Mahindra Financial Services Limited	2	5,000	22.36	-	-
Manappuram Finance Limited	2	6,000	6.56	28,000	25.02
Mangalore Refinery And Petrochemicals Limited	10	4,500	4.99	-	-
Manpasand Beverages Limited	10	85,000	321.46	3,300	23.25
Marico Industries Limited	1	1	0.00	-	-
Maruti Suzuki India Limited	5	3,675	324.94	6,100	353.61
Mastek Limited	5	12,000	58.28	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Max Financial Services Limited	2	-	-	41,600	233.04
Merck Limited	10	-	-	1,600	15.63
Minda Industries	2	416	4.35	7,100	31.14
Mindtree Limited	10	33,328	257.99	9,600	43.48
MOIL Limited	10	-	-	6,000	18.83
Monsanto Chemicals	10	2,036	53.67	-	-
Motilal Oswal Financial Services Limited	1	809	8.09	-	-
Mphasis Limited	10	6,500	55.85	-	-
Music Broadcast Limited	10	20,000	74.69	-	-
Muthoot Finance Limited	10	-	-	3,000	11.07
Narayana Hrudayalaya Limited	10	-	-	19,727	61.91
Natco Pharma Limited	2	-	-	3,600	28.30
National Aluminium Company Limited	5	-	-	300,000	228.00
National Mineral Development Corporation Limited	1	78,000	93.94	222,001	295.48
National Thermal Power Corporation Limited	10	4	0.01	-	-
Navin Flourine International Limited	2	7,000	57.81	-	-
Navneet Education Limited	2	-	-	22,000	25.47
Nesco Limited	2	5,000	29.99	-	-
Nestle India Limited	10	6,000	434.71	200	11.90
NIIT Limited	2	27,000	26.91	-	-
NIIT Technologies Limited	10	7,501	66.09	9,000	39.15
Oil And Natural Gas Corporation Limited	5	155,000	276.84	-	-
Orient Cement Limited	1	-	-	10,000	13.14
Ortel Communication Limited	10	66,525	120.41	66,525	76.20
P I Industries Limited	1	-	-	3,500	29.23
Page Industries Limited	10	-	-	1,000	138.62
Pantaloons Fashion & Retail Limited	10	-	-	25,000	37.24
Parag Milk Foods Limited	10	122,000	322.55	-	-
PC Jeweller Limited	10	103,500	353.26	-	-
Persistent Systems Limited	10	6,000	49.68	-	-
Petronet Lng Limited	10	9,000	20.37	45,002	181.43
Phoenix Mills Limited	2	21,000	127.91	5,054	18.75
Piramal Healthcare Limited	2	-	-	900	16.87
PNB Housing Finance Limited	10	9,700	123.25	-	-
PNC Infratech Limited (Previous Year Face Value ₹10)	2	-	-	10,000	11.33
Power Finance Corporation Limited	10	-	-	6,000	8.61
Power Grid Corporation Of India Limited	10	7	0.01	104,000	170.11
Prataap Snacks Limited	5	18,568	238.46	-	-
Prestige Estates Projects Limited	10	27,000	81.96	5,000	10.14
Procter & Gamble Hygiene and Health Care Limited	10	4,280	379.02	30,000	2,246.79
Punjab National Bank	2	1,428,114	1,367.18	84,000	125.92
Relaxo Footwears Limited	1	8,580	52.49	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Reliance Capital Limited	10	163,500	688.50	-	-
Reliance Communications Limited	5	140,001	32.13	12,000	4.57
Reliance Home Finance Limited	10	1	-	-	-
Reliance Industries Limited	10	478,000	4,228.57	33,000	337.69
Reliance Naval And Engineering Limited	10	2	0.00	-	-
Rural Electrification Corporation Limited	10	36,000	44.79	6,000	10.86
Sadbhav Engineering Limited	1	30,042	116.32	-	-
Saregama India Limited	10	8,700	61.06	-	-
SBI Home Finance Limited	10	300	-	300	-
SBI Life Insurance Company Limited	10	70,000	473.36	-	-
Schaeffler India Limited	10	5,166	259.88	-	-
Sharda Cropchem Limited	10	-	-	2,500	9.69
Shilpa Medicare Limited	1	-	-	3,950	25.18
Shriram Transport Finance Company Limited	10	-	-	250	2.64
Siemens Limited	2	2,500	27.43	-	-
SKF India Limited	10	13,000	238.46	1,385	18.63
Snowman Logistics Limited	10	-	-	16,500	10.04
Sobha Developers Limited	10	37,000	192.83	3,500	12.02
Sona Koyo Steering Systems Limited	1	35,000	35.93	-	-
Spice Jet Limited	10	130,000	169.52	-	-
SREI International Finance Limited	10	25,000	20.34	-	-
SRF Limited	10	500	10.00	2,500	39.91
State Bank Of India	1	21,000	52.29	-	-
Steel Authority Of India Limited	10	108,001	76.29	1	0.00
Sun Pharmaceuticals Industries Limited	1	132,794	664.14	-	-
Sun Tv Network Limited.	5	8,000	67.34	-	-
Sundaram Fasteners Limited	1	-	-	125,000	488.56
Sundaram Finance Holdings Limited	5	6,500	-	-	-
Sunteck Realty Limited	1	-	-	6,000	12.77
Suprajit Engineering Limited	1	-	-	13,000	24.70
Syndicate Bank Limited	10	18,000	10.01	-	-
Syngene International Limited	10	-	-	3,000	15.50
Tata Consultancy Services Limited	1	58,500	1,666.92	-	-
Tata Motors Limited	2	297,000	988.16	4	0.02
Tata Steel Limited	10	301,118	1,725.59	-	-
Tata Steel Limited (Party Paid) (Face Value ₹10 Paid Up Value ₹ 2.504)	10	260	0.40	-	-
TCI Express Limited	2	12,000	68.38	-	-
Teamlease Services Limited	10	-	-	1,256	11.54
Tech Mahindra Limited	5	1	0.01	92,902	424.98
Techno Electric & Engineering Co Limited	2	-	-	12,500	38.53
Titan Company Limited	1	163,500	1,532.52	-	-
Trent Limited	1	6,000	19.17	-	-
TV18 Broadcast Limited.	2	391,000	255.17	-	-
TVS Motor Company Limited	1	5,000	30.88	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Particulars	Face Value ₹	As at 31 st March 2018		As at 31 st March 2017	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Ultratech Cement Limited	10	-	-	1	0.04
Union Bank Of India	10	220,000	200.24	16,000	24.94
United Spirits Limited	10	5,000	153.46	-	-
UPL Limited	2	3,600	26.36	-	-
Vedanta Limited	1	36,750	104.03	-	-
Vesuvius India Limited	10	-	-	174	1.96
V-Guard Industries Limited	1	3,000	6.71	1,462	2.51
V-Mart Retail Limited	10	-	-	1,313	9.85
Voltamp Transformers Limited	10	6,701	74.84	-	-
Voltas Limited	1	49,041	305.09	9,999	38.63
VRL Logistics Limited	10	-	-	5,000	14.37
Westlife Development Limited	2	20,657	70.42	-	-
Whirlpool Of India Limited	10	16,500	240.03	102,300	1,252.00
Wipro Limited	2	165,600	459.00	-	-
Wockhardt Limited	5	7,200	52.57	-	-
Yes Bank Limited	2	484,750	1,469.77	-	-
Zee Entertainment Enterprises Limited	1	5,200	30.27	4,100	21.19
Zydus Wellness Limited	10	387	4.68	-	-
Sub total for equity shares			48,563.63		14,694.12
Less : Provision for diminution in Value of Securities			(233.99)		
Sub total for equity shares (A)			48,329.64		14,694.12
Exchange Traded Fund					
Kotak Mahindra Mutual Fund- Gold Exchange Traded Fund	10	13,707	36.95	500	1.28
Kotak Mahindra Mutual Fund- PSU Bank Exchange Traded Fund	10	8,714	25.39	8,336	29.16
Kotak Mahindra Mutual Fund- Kotak Sensex Exchange Traded Fund	10	3,702	12.54	1,372	4.03
Kotak Mahindra Mutual Fund- Kotak Nifty Exchange Traded Fund	1	7,342	7.55	519	4.75
Kotak Mahindra Mutual Fund- Kotak Banking Exchange Traded Fund	10	2,109	5.23	12,389	26.66
Kotak Mahindra Mutual Fund- Kotak Nifty Value 20 Exchange Traded Fund	10	60,486	28.06	30,643	11.74
			115.72		77.62
Less : Provision for diminution in Value of Securities			(0.25)		
Sub total for exchange traded fund (B)			115.47		77.62
TOTAL (A+B)			48,445.11		14,771.74
(Refer Note 31 and 33)					
Aggregate Value of Stock-In-Trade					
-At Book Value			48,679.35		14,771.74
-At Market Value			48,445.11		15,448.74

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 18: TRADE RECEIVABLES		
Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
Secured Considered good	1,941.76	2,713.80
Doubtful	9.71	375.69
	1,951.47	3,089.49
Less: Provision for doubtful trade receivables	9.71	375.69
	1,941.76	2,713.80
Other Trade Receivables		
Secured Considered good (Refer below note i and ii)	168,179.16	201,137.20
Doubtful	852.06	848.77
	169,031.22	201,985.97
Less: Provision for doubtful trade receivables	852.06	848.77
	168,179.16	201,137.20
	170,120.92	203,851.00

- (i) Due from Directors ₹ Nil (Previous Year ₹ 35.53 Lakhs), maximum amount outstanding during the year from Directors ₹ 40.96 Lakhs (Previous Year ₹ 127.20 Lakhs)
- (ii) Including ₹0.63 lacs (Previous Year ₹ Nil), due from a Private Limited Company in which Director of a Company is a Director)

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 19: CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	0.20	10.63
Balances with Banks in :		
Current Account	260.07	11,291.43
Fixed Deposits (non-lien with original maturity less than 3 months)	9,999.00	-
Other Bank Balances		
Fixed Deposits (with maturity of less than 12 months) *	286,792.90	213,097.40
TOTAL	297,052.17	224,399.46

* Fixed deposits include ₹ 234,347.87 Lakhs (Previous Year ₹ 153,072.66 Lakhs) which is under the lien of National Securities Clearing Corporation Limited and ₹35,858.85 Lakhs (Previous Year 16,414.71 Lakhs) which is under the lien of Indian Clearing Corporation Limited and ₹ 853.36 Lakhs (Previous year ₹ 50.00 Lakhs) which is lien of Metropolitan Stock Exchange of India Limited (MSEI) and ₹7,763.19 Lakhs (previous year 5,000.00 Lakhs) which is under the lien of Bank Guarantee and ₹62.21 Lakhs (Previous Year ₹ 25 Lakhs) which is under lien of National Stock Exchange Limited and ₹ 58.79 Lakhs (Previous Year ₹ 58.75 Lakhs) which is under the lien of BSE Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 20: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Staff Loans	78.55	86.27
Advances Recoverable in Cash or Kind or for Value to be Received	16.88	61.95
Balance with Government Authorities	1,871.10	561.04
Receivable from clients- Margin funding		-
Secured Considered good	66,314.13	
Doubtful	333.24	
	66,647.37	
Less: Provison for doubtful	(333.24)	-
	66,314.13	
Prepaid Expenses	761.59	711.75
Initial Margin - Equity Derivative Instrument	52,093.94	16,825.21
Mark-to-Market Margin - Equity Index/Stock Futures	113.69	94.90
Less: Provision for Loss	(113.69)	(94.90)
	-	-
Equity Index/Stock Option Premium	417.54	294.15
Add/(Less) :Unrealised Gain/(Loss)	(10.54)	(22.74)
	407.00	271.41
Other Advances*	130.44	72.26
TOTAL	121,673.63	18,589.89

* Including ₹0.26 lacs (Previous Year ₹ Nil), due from a Private Limited Company in which Director of a Company is a Director)

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
NOTE 21: OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Interest Accrued on Fixed Deposits	1,713.94	1,317.74
Interest Accrued on Debentures and Bonds	1,819.34	1,862.91
Dividend Accrued on Preference Shares	-	72.25
TOTAL	3,533.28	3,252.90

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
NOTE 22: REVENUE FROM OPERATIONS		
(A) Revenue From Operations		
(i) Income from Brokerage	90,538.42	74,239.81
Less : Sub Brokerage/Referral Fees and Expenses	8,809.24	7,741.55
	81,729.18	66,498.26
(ii) Fee Income - Gross	18,686.43	13,250.77
Less : Referral Fees	153.65	91.63
	18,532.78	13,159.14
(B) Revenue From Other Operating Activities		
(i) Interest Income on :		
Margin Funding	5,048.75	-
Delayed Payment by Customers	18,461.20	14,032.30
Fixed Deposits	18,245.66	13,793.65
(ii) Profit on Trading in Securities (net) (Refer Note 31 (a))	9,782.77	3,897.73
	51,538.38	31,723.68
TOTAL	151,800.34	111,381.08

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
NOTE 23: OTHER INCOME		
Interest Income on :		
Staff Loans	8.51	8.98
Debentures and Bonds (Refer Note 34)	6,470.91	7,409.66
Income Tax Refund	377.01	-
Discount received on Debentures	-	456.54
Provision for Contingencies Written Back	320.00	-
Profit on Sale of Fixed Assets (net)	37.16	59.03
Provision for Doubtful Debts Written Back	29.45	-
Dividend Income (Refer Note 34)	560.29	361.73
Profit on sale of Investments (net) (Refer Note 35)	2,935.98	2,065.14
Liabilities Written Back as no Longer Required (Refer Note 36)	82.07	136.16
Provision of Diminution in Value of Investments written back as No Longer Required (net)	413.45	-
Rent (Refer Note 28 (e))	1,024.10	1,046.97
Bad Debts Recovery	70.33	184.49
Gain on Foreign Exchange Transactions (net)	4.08	-
Miscellaneous Income	1,321.16	755.99
TOTAL	13,654.50	12,484.69

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
NOTE 24: EMPLOYEE BENEFIT EXPENSES		
Salaries, Allowances and Bonus	29,136.59	25,326.88
Contribution to Provident and Other Funds (Refer Note 29(c))	1,277.17	1,113.48
Compensated Absences	303.19	107.62
Gratuity (Refer Note 29(a)(iv))	703.13	218.64
Staff Welfare	532.09	613.35
Total:	31,952.17	27,379.97
Less : Recovery of Expenses (Refer Note 38)	10.59	9.46
TOTAL	31,941.58	27,370.51

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
NOTE 25: FINANCE COST		
Discount on Commercial Paper	9,054.99	4,672.08
Amortisation of Premium on Investments	50.26	162.51
Interest on Bank Overdraft	28.63	30.74
Bank Guarantee Commission and Other Charges	50.58	44.45
Interest paid on Margin Money and Others	1,443.98	360.02
TOTAL	10,628.44	5,269.80

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
NOTE 26: OTHER EXPENSES		
Travelling, Conveyance and Motor Car Expense	1,496.09	1,397.20
Professional and Legal	2,679.78	1,375.20
Auditors' Remuneration		
Audit Fees	85.00	84.00
In Other Capacity	1.50	6.00
Out of Pocket Expense	1.60	1.70
Depreciation on Investment Property	45.29	45.30
Provision for Doubtful Debts	-	164.82
Commission to Independent Director (Refer Note Below)	10.00	11.00
Provision for Diminution in Value of Investments	-	284.17
Repairs and Maintenance - Others	3,153.45	2,902.15
Office Expenses	670.88	533.69
Communication	2,076.34	1,823.64
Printing and Stationery	643.14	570.66

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Electricity	742.41	846.71
Membership and Subscription	965.49	965.56
Rent (Refer note 28 (b))	3,980.26	3,805.33
Rates and Taxes	12,062.70	9,915.39
Director's Sitting Fees	9.00	7.00
Advertising, Business Promotion and Entertainment	1,785.20	1,886.21
Donations	12.40	5.64
Contribution towards Corporate Social Responsibility	150.00	90.00
Service Charges	241.36	273.90
Common Establishment Expenses-Reimbursement	8,880.84	6,725.64
Depository Charges	382.83	239.33
Insurance	200.42	214.74
Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlements Cost (net)	65.15	137.23
Loss on Foreign Exchange Transactions		8.26
Miscellaneous expenses	661.10	402.53
Total	41,002.23	34,723.00
Less : Recovery of Expenses (Refer Note 38)	5.79	4.39
TOTAL	40,996.44	34,718.61

Note - Commission to Independent Director is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company

27. CONTINGENT LIABILITIES AND COMMITMENTS:

(a) Contingent Liabilities: -

- (i) Income tax matters in respect of which appeal is pending - ₹ 3,560.89 Lakhs (Previous Year ₹ 2,307.17 Lakhs). The company has preferred an appeal against the same since the same amount is disputed.
- (ii) Service tax matters in respect of which appeal is pending - ₹ 2,533.60 Lakhs (Previous Year ₹ 2,533.60 Lakhs). The company has preferred an appeal against the same since the same amount is disputed.
- (iii) Claims against the Company not acknowledged as debt by the Company – ₹ 497.78 Lakhs (Previous Year ₹ 484.31 Lakhs). The company has preferred an appeal against the same with applicable judicial forums.
- (iv) Guarantees given ₹ 15,025.00 Lakhs (Previous Year ₹ 10,000.00 Lakhs) against Fixed Deposit of ₹ 7,525.00 Lakhs (Previous Year ₹ 5,000.00 Lakhs).

Note: In respect of items mentioned in ((i), (ii) and (iii)) above till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained. The Company is confident of successfully defending the demands and does not expect any outflow on these counts.

(b) Capital Commitments: -

Capital commitments (net of advances) - ₹ 524.87 Lakhs (Previous Year ₹ 810.46 Lakhs)

(c) Other Commitments:-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- (i) Uncalled liability on units of Venture Capital Fund - Kotak India Growth Fund II amounting to ₹9 Lakhs (Previous Year ₹9 Lakhs)
- (ii) Contractual arrangement for payment in case of default on corporate credit card facility availed by certain employees from bank ₹ 281.25 Lakhs (previous year ₹ 270.50 Lakhs)

28. (a) The Company has taken various offices and godown premises under operating lease or leave and license agreements. These are generally cancellable in nature and range between 4 months to 110 months (previous year 11 months to 84 months) (with a maximum lock-in period of 36 months). These leave and license agreements are generally renewable or cancellable at the option of the Company.

(b) Rent payments are recognised in the Statement of Profit and Loss under the head 'Rent' in Note 26.

(c) Future minimum lease payments under non-cancellable lease (lock in period) :

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
not later than one year	68.40	174.16
later than one year and not later than five years	23.92	18.57
later than five years	-	-

(d) The Company has given certain assets – building and office equipments on operating leases. These lease arrangements are cancellable in nature and renewable for further period on mutually agreeable terms.

(e) Rent receipts are recognized in the Statement of Profit and Loss under the head "Rent" disclosed in Note 23 – "Other Income".

29. EMPLOYEE BENEFITS:-

(a) Defined Benefits Plan- Gratuity

The Company has formed a Trust "Kotak Securities Employees Gratuity Trust" which has taken group gratuity policies with an insurance company which is funded. The Trust is recognised by the Income Tax Authorities and is administered through trustees and / or the insurance companies.

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

(₹ in Lakhs)

Particulars	31 st March 2018	31 st March 2017
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1,741.61	1,619.31
Current Service Cost	256.71	257.80
Interest Cost	137.07	142.83
Actuarial Losses / (Gain)	137.24	50.73
Past Service Cost	307.91	-
Liabilities transferred to other group companies	(13.17)	(4.23)
Benefits Paid	(227.51)	(324.83)
Closing Defined Benefit Obligation	2,339.86	1,741.61

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- (ii) Reconciliation of Change in fair value of plan assets

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Opening fair value of assets	1,607.83	1,356.45
Expected return on plan assets	121.39	103.20
Actuarial gain/(loss)	14.42	129.53
Contributions by employer	224.10	343.48
Benefit Paid	(227.51)	(324.83)
Closing fair value of assets	1,740.23	1,607.83
Expected Employer contribution next year	600.00	150.00

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

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Present Value of Obligations as at year end	2,339.86	1,741.61
Fair Value of Plan Assets	(1,740.23)	(1,607.83)
Net (Asset) / Liability – Current	599.63	133.78

- (iv) Cost recognised for the year

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Current Service Cost	256.71	257.80
Interest on Defined Benefit Obligation	137.07	142.83
Expected Return on Plan Assets	(121.39)	(103.20)
Net Actuarial Losses / (Gains) Recognized in Year	122.83	(78.80)
Past Service Cost	307.91	-
Total, Included in Note No 24 Employee Benefit Expenses- Gratuity	703.13	218.64
Actual Return on Plan Assets	135.81	232.73

- (v) Asset information

Particulars	31 st March 2018	31 st March 2017
Insurer managed funds	100%	100%

Type of Investment	As at 31 st March 2018		As at 31 st March 2017	
	%	Amount	%	Amount
	Equity	53.96%	939.02	52.57%
Government securities	31.92%	555.48	17.94%	288.24
Bonds, debentures and other fixed income instruments	11.47%	199.60	17.84%	286.84
Money market instruments	2.23%	38.81	10.09%	162.23
Others	0.42%	7.32	1.56%	25.08
		1,740.23		1,607.83

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(vi) Principal actuarial assumption

Particulars	Assumptions in 31 st March 2018	Assumptions in 31 st March 2017
Discount Rate	7.90% per annum	7.18% per annum
Expected Rate of Return on Assets	7.50% per annum	7.50% per annum
Salary Escalation Rate	7.00% per annum	7.00% per annum

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.

(vii) Experience Adjustments for the current annual period and previous four periods.

	31 st March, 2018	31 st March, 2017	31 st March, 2016	31 st March, 2015	31 st March, 2014
Defined Benefit Obligation	2339.86	1741.61	1,619.31	1,494.53	1,149.25
Plan Assets	1740.22	1607.83	1,356.45	1,372.40	1,182.82
Surplus/ (Deficit)	(599.63)	(133.78)	(262.86)	(122.13)	33.57
Experience Adjustment on Plan Liabilities	111.49	88.75	(45.97)	64.57	(10.14)
Experience Adjustment on Plan Assets	14.41	129.53	(88.32)	251.13	60.39

(b) Defined Benefits Plan- Compensated Absences

Particulars	31 st March 2018	31 st March 2017
Actuarial assumptions for compensated absences		
Discount rate	7.90% Per annum	7.18% per annum
Salary Escalation	7.00% per annum	7.00% per annum

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

(c) Defined Contribution Plan

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss: -

	(₹ in Lakhs)	
Particulars	31 st March 2018	31 st March 2017
Employers Contribution to Provident Fund	1,143.52	1,062.47
Superannuation Fund	3.00	3.00
Employees State Insurance Corporation	112.79	29.86
Contribution to National Pension Scheme	17.86	18.15
Total	1,277.17	1,113.48

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

30. Securities received from clients as collateral for margins are held by the Company in a fiduciary capacity.

31. (a) Information in Respect of Trading in Securities

(₹ in Lakhs)

Particulars	31 st March 2018	31 st March 2017
	Value	Value
Opening Stock (A)		
Equity Shares and ETFs	14,771.74	9,470.36
TOTAL (A)	14,771.74	9,470.36
Purchases		
Equity Shares and ETFs	3,364,169.90	402,350.10
Bonds & Other Securities	141,175.24	32,097.02
TOTAL (B)**	3,505,345.14	434,447.12
Sales		
Equity Shares and ETFs	3,323,990.56	399,589.54
Bonds & Other Securities	141,335.85	32,196.82
TOTAL (C)	3,465,326.41	431,786.36
Closing Stock (D)		
Equity Shares and ETFs	48,445.11	14,771.74
TOTAL (D)	48,445.11	14,771.74
Profit on Trading in Options/ Futures (Net) (E)	21,754.33	3,123.03
STT and SLBM charges (F)	5,626.20	1,865.92
Profit (D+C-B-A+E-F)	9,782.77	3,897.73

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

**The securities borrowed under Securities Lending and Borrowing Scheme outstanding as on balance sheet date have been considered.

(b) Stock in Trade/ Investments pledged with National Securities Clearing Corporation Limited towards Exposure in Derivatives Segment as on 31st March, 2018.

Name of Scrip	Face Value (₹)	As at 31 st March 2018		As at 31 st March 2017	
		Quantity (Nos.)	Cost (₹ in Lakhs)	Quantity (Nos.)	Cost (₹ in Lakhs)
7.34% Tax Free Bonds of Indian Railway Finance corporation Limited	1,000	950,000	9,677.73	950,000	9,695.79
7.14% Tax Free Bonds of National Highways Authority of India	1,000	100,000	1,003.84	100,000	1,004.35
7.18% Tax Free Bonds of Indian Railway Finance Corporation Limited	1,000	400,000	4,178.35	250,000	2,629.09
6.88% Tax Free Bonds of Indian Railway Finance Corporation Limited	1,000	150,000	1,553.57	-	-
3M India Limited	10	1,175	222.00	-	-
Aarti Industries Limited	5	22,000	249.14	-	-
Aditya Birla Capital Limited	10	30,000	45.30	-	-
Aegis Logistics Limited	1	28,000	69.72	-	-
Alkem Laboratories Limited	2	2,900	62.04	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Name of Scrip	Face Value (₹)	As at 31 st March 2018		As at 31 st March 2017	
		Quantity (Nos.)	Cost (₹ in Lakhs)	Quantity (Nos.)	Cost (₹ in Lakhs)
Ambuja Cements Limited	2	1	0.00	-	-
Andhra Bank	10	40,000	17.01	-	-
Apollo Hospitals Enterprise Limited	5	2,001	20.66	-	-
Areva T&D India Limited	2	2,000	8.22	-	-
Arvind Mills Limited	10	8,000	30.94	-	-
Asea Brown Boveri Limited	2	34,500	481.93	-	-
Associated Cement Companies Limited	10	400	6.04	-	-
AU Small Finance Bank Limited	10	11,000	66.46	-	-
Aurobindo Pharma Limited	1	17,600	97.86	-	-
Avenue Supermarts Limited	10	4,000	53.81	-	-
Axis Bank Limited	2	29,081	147.46	-	-
Bajaj Auto Limited	10	10	0.28	-	-
Bajaj Finance Limited	2	4,000	70.67	-	-
Bajaj Finserv Limited	5	4,750	244.38	-	-
Bank Of India	10	766,500	774.21	-	-
Bharat Financial Inclusion Limited	10	12,063	130.53	-	-
Bharat Forge Co Limited	2	13,256	93.44	-	-
Bharat Petroleum Corporation Limited	10	80,348	336.67	-	-
Biocon Limited	5	29,075	172.77	-	-
BLS International Services Limited	1	20,000	23.45	-	-
Britannia Industries Limited	2	14,500	685.99	-	-
Can Fin Homes Limited (Previous Year Face Value ₹10)	2	3,750	18.84	-	-
Canara Bank Limited	10	3	0.01	-	-
Capital First Limited	10	800	4.97	-	-
CARE Ratings Limited	10	500	6.85	-	-
CEAT Limited	10	1,050	15.79	-	-
Central Depository Services Limited	10	20,000	59.27	-	-
Century Textiles & Industries Limited	10	1,985	22.65	-	-
Coal India Limited	10	6,601	17.72	-	-
Coromandel International Limited.	1	10,000	51.09	-	-
Crompton Greaves Consumer Electrcials Limited	2	35,000	78.57	-	-
Dabur India Limited	1	42,500	135.48	-	-
DCB Bank Limited	10	4,500	7.33	-	-
Dilip Buildcon Limited	10	8,000	77.49	-	-
Dish Tv India Limited	1	1	0.00	-	-
Dr Reddy'S Laboratories Limited	5	46,743	990.15	-	-
Eicher Motors Limited	10	2,975	834.41	-	-
Endurance Technologies Limited	10	4,000	51.35	-	-
Entertainment Network (India) Limited	10	10,000	78.57	-	-
Garware-Wall Ropes Limited	10	6,130	57.38	-	-
Gas Authority Of India Limited	10	32,000	108.49	-	-
Glenmark Pharmaceuticals Limited	1	47,405	251.16	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Name of Scrip	Face Value (₹)	As at 31 st March 2018		As at 31 st March 2017	
		Quantity (Nos.)	Cost (₹ in Lakhs)	Quantity (Nos.)	Cost (₹ in Lakhs)
Godfrey Phillips India Limited	2	100	0.82	-	-
Godrej Properties Limited	5	20,000	155.83	-	-
Goldman Sachs Liquid Exchange Traded Scheme	1000	276	1.46	-	-
Grasim Industries Limited	2	48,647	520.77	-	-
Greenply Industries Limited	1	15,000	50.70	-	-
Grindwell Norton Limited	5	2,676	13.61	-	-
Gujarat State Fertilizers & Chemicals Limited	2	45,000	52.48	-	-
Havells India Limited	1	20,000	98.26	-	-
HCL Technologies Limited	2	1	0.01	-	-
Hexaware Technologies Limited	2	5	0.02	-	-
Hindustan Construction Company Limited	1	60,000	13.93	-	-
Hindustan Petroleum Corporation Limited	10	42,528	145.56	-	-
Hindustan Unilever Limited	1	16,063	215.55	-	-
Housing Development Finance Corporation Limited	2	27,000	423.26	-	-
ICICI Bank Limited	2	2,166,107	6,204.60	-	-
IFB Industries Limited	10	6,220	82.10	-	-
Indiabulls Housing Finance Limited	2	23,600	289.58	-	-
Indian Oil Corporation Limited	10	15,000	24.84	-	-
Infibeam Incorporation Limited	1	1,500	2.23	-	-
INOX Leisure Limited	10	50,000	128.96	-	-
IPCA Laboratories Limited	2	10,000	67.40	-	-
ITC Limited	1	973,622	2,506.47	-	-
J M Financial Limited	1	65,000	88.21	-	-
Jet Airways (India) Limited	10	1,200	7.56	-	-
Jindal Steel & Power Limited	1	21,000	43.96	-	-
JK Lakshmi Cement Limited	5	30,000	126.16	-	-
Just Dial Limited	10	25,200	111.30	-	-
Jyothy Laboratories Limited	1	20,000	74.95	-	-
Kalpataru Power Transmission Limited	2	12,115	55.53	-	-
KEC International Limited	2	16,000	58.29	-	-
KNR Constructions Limited	2	20,000	57.94	-	-
L & T Finance Holdings Limited	10	58,501	89.85	-	-
L&T Technology Services Limited	2	6,000	82.57	-	-
Lupin Limited	2	137,118	1,012.62	-	-
Mahindra & Mahindra Financial Services Limited	2	1,776	7.94	-	-
Manpasand Beverages Limited	10	58,000	219.35	-	-
Marico Industries Limited	1	1	0.00	-	-
Mastek Limited	5	12,000	58.28	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Name of Scrip	Face Value (₹)	As at 31 st March 2018		As at 31 st March 2017	
		Quantity (Nos.)	Cost (₹ in Lakhs)	Quantity (Nos.)	Cost (₹ in Lakhs)
Minda Ind	2	416	4.35	-	-
Mindtree Limited	10	16,589	128.41	-	-
Motilal Oswal Financial Services Limited	1	809	8.09	-	-
Mphasis Limited	10	6,500	55.85	-	-
Music Broadcast Limited	10	16,000	59.75	-	-
National Mineral Development Corporation Limited	1	78,000	93.94	-	-
Navin Flourine International Limited	2	7,000	57.81	-	-
Nesco Limited	2	5,000	29.99	-	-
Nestle India Limited	10	6,000	434.71	-	-
Oil And Natural Gas Corporation Limited	5	155,000	276.84	-	-
Parag Milk Foods Limited	10	95,000	251.17	-	-
PC Jeweller Limited	10	103,500	353.26	-	-
Persistent Systems Limited	10	6,000	49.68	-	-
Phoenix Mills Limited	2	20,000	121.81	-	-
PNB Housing Finance Limited	10	6,000	76.24	-	-
Power Grid Corporation Of India Limited	10	7	0.01	-	-
Prataap Snacks Limited	5	18,465	237.14	-	-
Prestige Estates Projects Limited	10	20,000	60.71	-	-
Procter & Gamble Hygiene and Health Care Limited	10	2,837	251.24	-	-
Punjab National Bank	2	1,188,114	1,137.42	-	-
Relaxo Footwears Limited	1	8,580	52.49	-	-
Reliance Capital Limited	10	97,500	410.58	-	-
Reliance Communications Limited	5	140,001	32.13	-	-
Reliance Home Finance Limited	10	1	-	-	-
Reliance Industries Limited	10	478,000	4,228.57	-	-
Reliance Naval And Engineering Limited	10	2	0.00	-	-
Rural Electrification Corporation Limited	10	36,000	44.79	-	-
Sadbhav Engineering Limited	1	30,042	116.32	-	-
Saregama India Limited	10	8,700	61.06	-	-
SBI Life Insurance Company Limited	10	55,000	371.93	-	-
Schaeffler India Limited	10	3,400	171.04	-	-
SKF India Limited	10	10,000	183.43	-	-
Sobha Developers Limited	10	27,500	143.32	-	-
Sona Koyo Steering Systems Limited	1	35,000	35.93	-	-
SREI International Finance Limited	10	25,000	20.34	-	-
Steel Authority Of India Limited	10	108,001	76.29	-	-
Sun Pharmaceuticals Industries Limited	1	132,794	664.14	-	-
Sun Tv Network Limited.	5	8,000	67.34	-	-
Sundaram Finance Holdings Limited	5	6,500	0.00	-	-
Syndicate Bank	10	9,000	5.00	-	-
Tata Consultancy Services Limited	1	52,750	1,503.08	-	-
Tata Motors Limited	2	241,738	804.30	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Name of Scrip	Face Value (₹)	As at 31 st March 2018		As at 31 st March 2017	
		Quantity (Nos.)	Cost (₹ in Lakhs)	Quantity (Nos.)	Cost (₹ in Lakhs)
Tata Steel Limited	10	301,118	1,725.59	-	-
TCI Express Limited	2	12,000	68.38	-	-
Titan Company Limited	1	94,305	883.94	-	-
Trent Limited	1	6,000	19.17	-	-
TV18 Broadcast Limited.	2	374,000	244.08	-	-
TVS Motor Company Limited	1	1,000	6.18	-	-
Union Bank Of India	10	220,000	200.24	-	-
United Spirits Limited	10	5,000	153.46	-	-
Vedanta Limited	1	1,750	4.95	-	-
Voltamp Transformers Limited	10	6,701	74.84	-	-
Voltas Limited	1	42,000	261.29	-	-
Whirlpool Of India Limited	10	16,000	232.76	-	-
Wockhardt Limited	5	5,526	40.35	-	-
Yes Bank Limited	2	440,807	1,336.53	-	-
Zee Entertainment Enterprises Limited	1	5,200	30.27	-	-
Zydus Wellness Limited	10	387	4.68	-	-
Total			54,452.21		13,329.23

32. (a) Outstanding Future Contracts as on 31st March, 2018.

(₹ in Lakhs)

Particulars	31 st March 2018			31 st March 2017		
	No of Contracts	No of Units	Notional Amount	No of Contracts	No of Units	Notional Amount
S&P CNX Nifty Futures	77	5,775	586.90	1,013	75,975	6,970.00
Bank Nifty	219	8,760	2,133.10	125	5,000	1,073.93
Stock Futures	11,892	21,191,332	77,460.19	2,739	4,396,816	18,762.98
Currency Futures	1,335	1,335,000	872.29	412	412,000	268.63

The above contracts are held for trading purposes.

(b) Outstanding Option Contracts as on 31st March, 2018.

(₹ in Lakhs)

Particulars	31 st March 2018			31 st March 2017		
	No of Contracts	No of Units	Total Premium Carried Forward	No of Contracts	No of Units	Total Premium Carried Forward
Bank Nifty option long	222	8,880	1.15	267	10,680	11.57
S&P CNX Nifty Options Long	19,385	1,453,875	402.02	11,705	877,875	274.31
Stock Options Long	-	-	-	28	100,200	5.65
Currency option Long	15,255	15,255,000	14.37	2,264	2,264,000	2.62
Total Long Options			417.54			294.15

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for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	31 st March 2018			31 st March 2017		
	No of Contracts	No of Units	Total Premium Carried Forward	No of Contracts	No of Units	Total Premium Carried Forward
Type of Derivative						
Bank Nifty option short	16	640	2.73	69	2,760	2.39
S&P CNX Nifty Options Short	10,255	769,125	507.05	5,659	424,425	272.97
Currency option short	9,755	9,755,000	27.31	2,532	2,532,000	7.84
Total Short Options			537.09			283.20

The above contracts are held for trading purposes.

(c) **Particulars of unhedged foreign currency exposures as at the reporting date.**

Type of Investment	31 st March 2018		31 st March 2017	
	Foreign Currency	INR	Foreign Currency	INR
Payable (in US Dollars)	327,136	21,321,103	375,498	24,427,209
Receivable (in US Dollars)	158,556	10,333,878	72,399	4,761,032
Receivable (in GBP Pounds)	47,397	4,373,795	3,300	267,849
Receivable (in EURO)	50,000	4,040,500	-	-

- 33.** During the current year, the Company has changed its methodology to determine the carrying cost of securities from the lower of cost and fair value calculated on an individual investment basis followed hitherto, to category of investment (securities). Had the Company followed the earlier method, the stock in trade would have been valued lowered by ₹ 441.54 Lakhs, and the profit before tax and profit after tax for the year would have been lower by ₹ 441.54 Lakhs and ₹ 288.73 Lakhs respectively.
- 34.** Dividend income represents dividend on long term investments (other than trade) ₹ 70.25 Lakhs (Previous Year ₹ 125.04 Lakhs) and on stock in trade ₹ 490.04 Lakhs (Previous Year ₹ 236.69 Lakhs). Interest Income on debentures and bonds represents interest on long term investments (other than trade) ₹ 6,274.41 Lakhs (Previous Year ₹ 5,351.09 Lakhs) and on current investments ₹ 196.50 Lakhs (Previous Year ₹ 2,058.57 Lakhs).
- 35.** Profit on sale of investments represents profit on sale of current investments (net) (other than trade) ₹ 2,696.82 Lakhs (Previous Year ₹ 2,045.27 Lakhs) and profit on sale of long term investments (net) (other than trade) ₹ 239.16 Lakhs (Previous Year loss of ₹ 19.87 Lakhs).
- 36.** Liabilities written back comprises of provision no longer required in respect of expenses ₹ 82.07 Lakhs (Previous Year ₹ 136.16 Lakhs).

37. EMPLOYEE SHARE BASED PAYMENTS: -

(A) 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:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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

Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007

Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and

Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013

Consequent to the above, the Bank has granted stock options to employees of the Company. In accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOPs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank ₹ Nil (Previous Year ₹ Nil) during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP Scheme" under Note 24 Employee Benefit Expenses.

(B) 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 0.25 to 3.59 years.

Details of activity under SARs is summarized below: -

Particulars	No. of SARs	
	31 st March 2018	31 st March 2017
Outstanding at the beginning of the year	204,770	226,449
Granted during the year	116,510	92,710
Exercised during the year	94,534	99,437
Expired/ Transferred during the year	18,301	15,002
Outstanding at the end of the year	208,445	204,770

Effect of the grant of SAR to employees on the statement of profit and loss and on its financial position:

Particulars	₹ in Lakhs	
	31 st March 2018	31 st March 2017
Total Employee Compensation Cost pertaining to share-based payment plans	1166.62	965.82
Closing balance of provision for cash-settled options - Current	818.86	632.23
Closing balance of provision for cash-settled options – Non-Current	425.13	391.28

(C) IMPACT OF EQUITY SETTLED OPTIONS AND SARs

Had the Company recorded the compensation cost computed on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by 803.24 Lakhs (Previous year 564.81 Lakhs) and the profit after tax would have been lower by 535.84 Lakhs (Previous year 376.50 Lakhs). Consequently the basic and diluted EPS would have been ₹ 3,284.95 Lakhs (Previous year ₹2,234.38)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

38. Recovery of expenses in Note 24 and Note 26 are amounts recovered from fellow subsidiary towards the value of costs apportioned of the Company's employees and facilities in accordance with the agreement.

39. Earnings per share (Face value ₹ 10) -

Particulars	2017-18	2016-17
Profit for the year (in Lakhs)	53,095.05	36,126.55
Weighted average number of shares (in Lakhs)	16	16
Earnings per share (Basic and Diluted) – in ₹	3,318.44	2,257.91

40. (a) Expenditure in Foreign Currency (on accrual basis):

- i. Travelling ₹ 26.85 Lakhs (Previous Year ₹ 19.92 Lakhs)
- ii. Membership and Subscription ₹ 115.13 Lakhs (Previous Year ₹ 64.14 Lakhs)
- iii. Software ₹101.77 Lakhs (Previous Year ₹ 288.73 Lakhs)
- iv. Business Promotion ₹ 10.07 Lakhs (Previous Year ₹ 253.06 Lakhs)
- v. Common Establishment Expenses - Reimbursement ₹1583.42 Lakhs (Previous Year ₹ 1620.13 Lakhs)
- vi. Communication ₹ 253.61 Lakhs (Previous Year ₹ 334.48 Lakhs)
- vii. Data Processing Charges ₹ 33.66 Lakhs (Previous Year ₹ 34.50 Lakhs)
- viii. Professional Fees ₹ 182.41 Lakhs (Previous Year ₹ 166.42 Lakhs).
- ix. Conference & Meeting ₹ 8.86 Lakhs (Previous Year ₹ 11.45 Lakhs).
- x. Commission ₹ 1,204.32 Lakhs (Previous Year ₹ 1,117.41 Lakhs).

(b) Earnings in Foreign Currency (on accrual basis): -

- i. Advisory Fees ₹ 1826.62 Lakhs (Previous Year ₹1,504.34 Lakhs)
- ii. Other Income ₹ Nil Lakhs (Previous Year ₹ 2.20 Lakhs)

41. 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.

A. Details of CSR expenditure

- a) Gross amount required to be spent by the Company during the year for CSR is ₹ 888.31 Lakhs (Previous year ₹ 693.28 Lakhs)

(b) Amount spent during the year ending on 31st March, 2018:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	150.00	-	150.00
(c) Amount spent during the year ending on 31st March, 2017:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	90.00	-	90.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

42. Segment Information for the year ended 31st March, 2018

(a) Information about Primary Business Segments

Details of activity under SARs is summarized below: -

(₹ in Lakhs)					
S r . No.	Particulars	Broking	Trading and Principal Investments	Unallocated	Total
1)	Segment Revenue				
	Income from external customers	1,39,525.86	25,551.97	377.01	1,65,454.84
	Previous year	(1,00,633.90)	(23,043.40)	(188.47)	(1,23,865.77)
2)	Profit Before Tax	56,546.45	22,928.32	122.73	79,597.50
	Previous year	(37,199.72)	(16,948.04)	(181.60)	(54,329.36)
3)	Tax Expenses			26,502.45	26,502.45
	Previous year			(18,202.81)	(18,202.81)
4)	Profit for the year				53,095.05
	Previous year				(36,126.55)
5)	Capital Employed				
i.	Segment assets	4,66,190.06	3,44,300.52	4,428.44	8,14,919.02
	Previous year	(3,55,132.50)	(2,60,061.20)	(5,320.24)	(6,20,513.94)
ii.	Segment liabilities	4,11,190.06	47,802.26	3,236.87	4,62,229.19
	Previous year	(2,94,177.12)	(23,519.22)	(3,222.82)	(3,20,919.16)
6)	Capital Expenditure	2,802.84	1.59	-	2,804.43
	Previous year	(1,947.98)	(36.53)	-	(1,984.51)
7)	Depreciation and Amortisation (Including Depreciation on Investment Property)	2,243.52	92.65	-	2,336.17
	Previous year	(2,129.72)	(93.07)	-	(2,222.79)
8)	Significant Non Cash Expenditure	-	-	-	-
	Previous year	(164.82)	(284.17)	-	(448.99)

(b) Notes:

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

- "Broking and other related activities" – comprising of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and services rendered in connection with primary market subscription/ mobilisation and distribution of life insurance product. It also includes interest on fixed deposit and interest on delayed payments, incidental and consequential to secondary market related business received from clients.
- "Trading and Principal Investments" - comprising of proprietary trading in securities, interest on fixed deposits with banks and Income from investments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- (ii) Unallocated expenses comprise of general administrative expenses and taxation provided at an enterprise level.
- (iii) Segment assets comprise mainly of fixed assets, investments, trade and other receivables, stock-in-trade, cash and bank balances, accrued income receivable and advances. Unallocated assets represent mainly fixed assets, deferred tax asset, loans and advances. Segment liabilities include loans, trade and other payables and sundry creditors. Unallocated liabilities mainly include deferred tax, retirement benefits, outstanding expenses and statutory liabilities.
- (iv) The company operates in single geographical segment, accordingly the reporting requirements of secondary segment disclosure prescribed under paragraph 39 to 51 of Accounting Standard 17 on 'Segment Reporting' have not been provided in the financial statements.

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

A. Related Parties where control exists:

Nature of relationship	Related Party
Holding Company	Kotak Mahindra Bank Limited (KMBL) (Holds 74.99% of the equity share capital)
Individuals owning, directly or indirectly, an interest in the voting power of the significant influence over the Company	Mr. Uday S. Kotak, along with relatives and companies controlled by him, holds 30.04% (Previous Year 32.02%) Company that gives them control or of the equity share capital of KMBL
Subsidiary	Kotak Mahindra Financial Services Limited

B. Other Related Parties:

(i) Fellow Subsidiaries:	Kotak Mahindra Capital Company Limited
	Kotak Mahindra Prime Limited
	Kotak Infrastructure Debt Fund Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra Inc.
	Kotak Mahindra International Limited
	Kotak Mahindra Investments Limited
	Kotak Investment Advisors Limited
	Kotak Mahindra Life Insurance Company Limited (Formerly known as Kotak Mahindra Old Mutual life Insurance Limited)
	Kotak Mahindra (UK) Limited
(ii) Key management personnel	Kotak Mahindra General Insurance Company Limited
	Mr. Narayan S. A., Non-Executive Director
	Mr. K.V.S. Manian, Non-Executive Director
	Mr. Kamlesh Rao, Managing Director
	Mr. Ravi Iyer, Managing Director
	Ms. Shanti Ekambaram Director (Till 19 th July 2016)
Mr. C.Jayaram, Non-Executive Director (Till 26 th Oct 2016)	
Mr. D. Kannan, Director (Till 3 rd Jan 2017)	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(iii) Relatives of key management Personnel/ persons having Significant influence	Mrs. Rekha Narayan Mr. D G Subramanian Mrs. Lakshmi S Mr. A.K.S Mani Mrs. N Rajambal Mr. Suresh Kotak Mrs. Indira Kotak Mr Jay Kotak
(iv) Enterprises over which Director/ key management personnel/ relatives of key management personnel have significant influence	Infina Finance Private Limited Kotak Commodity Services Private Limited ACE Derivatives and Commodity Exchange Limited Matrix Business Services India Private Limited Aero Agencies Limited

C. Following transactions were carried out with related parties

Nature of Transactions	Name of Related Party	Holding Company/ Controlling Entity		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel/persons having significant influence		Enterprises over which Directors/Key Management Personnel/Relatives of Key Management Personnel having Significant Influence		Grand Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Finance															
Dividend on Preference shares	Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	72.25	-	-	-	-	-	-	-	72.25
Dividend on Preference shares Total		-	-	-	-	-	72.25	-	-	-	-	-	-	-	72.25
Dividend on Equity shares	Kotak Mahindra Prime Limited	-	-	-	-	10.28	10.28	-	-	-	-	-	-	10.28	10.28
Dividend on Equity shares Total		-	-	-	-	10.28	10.28	-	-	-	-	-	-	10.28	10.28
Debentures Taken	Kotak Mahindra Investments Limited	-	-	-	-	-	13,000.00	-	-	-	-	-	-	-	13,000.00
	Kotak Mahindra Prime Limited	-	-	-	-	10,000.00	-	-	-	-	-	-	-	10,000.00	-
Debentures Taken Total		-	-	-	-	10,000.00	13,000.00	-	-	-	-	-	-	10,000.00	13,000.00
Debentures Redeemed	Kotak Mahindra Prime Limited	-	-	-	-	5,000.00	-	-	-	-	-	-	-	5,000.00	-
Debentures Redeemed Total		-	-	-	-	5,000.00	-	-	-	-	-	-	-	5,000.00	-
Investments Redeemed	Kotak Mahindra Asset Management Company Limited	-	-	-	-	930.87	-	-	-	-	-	-	-	930.87	-
	Kotak Mahindra Prime Limited	-	-	-	-	-	2,773.80	-	-	-	-	-	-	-	2,773.80
Investments Redeemed Total		-	-	-	-	930.87	2,773.80	-	-	-	-	-	-	930.87	2,773.80
Investments Taken	Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	9,300.00	-	-	-	-	-	-	-	9,300.00
Investments Taken Total		-	-	-	-	-	9,300.00	-	-	-	-	-	-	-	9,300.00
Deposits Taken	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	0.77	1.06	0.77	1.06
Deposits Taken Total		-	-	-	-	-	-	-	-	-	-	0.77	1.06	0.77	1.06
Deposits Repaid	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	0.86	0.42	0.86	0.42
Deposits Repaid Total		-	-	-	-	-	-	-	-	-	-	0.86	0.42	0.86	0.42
Fixed Deposits Placed During The Year	Kotak Mahindra Bank Limited	152,530.18	193,745.39	-	-	-	-	-	-	-	-	-	-	152,530.18	193,745.39
Fixed Deposits Placed During The Year Total		152,530.18	193,745.39	-	-	-	-	-	-	-	-	-	-	152,530.18	193,745.39
Fixed Deposits Repaid During The Year	Kotak Mahindra Bank Limited	185,682.95	301,343.20	-	-	-	-	-	-	-	-	-	-	185,682.95	301,343.20

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Nature of Transactions	Name of Related Party	Holding Company/ Controlling Entity		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel/persons having significant influence		Enterprises over which Directors/Key Management Personnel/Relatives of Key Management Personnel having Significant Influence		Grand Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fixed Deposits Repaid During The Year Total		185,682.95	301,343.20	-	-	-	-	-	-	-	-	-	-	185,682.95	301,343.20
Interest Received On Fixed Deposits	Kotak Mahindra Bank Limited	1,457.37	7,906.83	-	-	-	-	-	-	-	-	-	-	1,457.37	7,906.83
Interest Received On Fixed Deposits Total		1,457.37	7,906.83	-	-	-	-	-	-	-	-	-	-	1,457.37	7,906.83
Interest On Debentures	Kotak Mahindra Investments Limited	-	-	-	-	1,555.50	537.82	-	-	-	-	-	-	1,555.50	537.82
	Kotak Mahindra Prime Limited	-	-	-	-	3,711.44	3,726.96	-	-	-	-	-	-	3,711.44	3,726.96
Interest On Debentures Total		-	-	-	-	5,266.94	4,264.78	-	-	-	-	-	-	5,266.94	4,264.78
Outstanding															
Book Overdraft	Kotak Mahindra Bank Limited	1,661.89	-	-	-	-	-	-	-	-	-	-	-	1,661.89	-
Book Overdraft Total		1,661.89	-	-	-	-	-	-	-	-	-	-	-	1,661.89	-
Debentures Taken	Kotak Mahindra Investments Limited	-	-	-	-	18,000.00	18,000.00	-	-	-	-	-	-	18,000.00	18,000.00
	Kotak Mahindra Prime Limited	-	-	-	-	40,500.00	35,500.00	-	-	-	-	-	-	40,500.00	35,500.00
Debentures Taken Total		-	-	-	-	58,500.00	53,500.00	-	-	-	-	-	-	58,500.00	53,500.00
Interest Accrued On Debenture	Kotak Mahindra Investments Limited	-	-	-	-	199.70	198.47	-	-	-	-	-	-	199.70	198.47
	Kotak Mahindra Prime Limited	-	-	-	-	1,047.33	1,063.88	-	-	-	-	-	-	1,047.33	1,063.88
Interest Accrued On Debenture Total		-	-	-	-	1,247.03	1,262.35	-	-	-	-	-	-	1,247.03	1,262.35
Investments in Shares	Kotak Mahindra Financial Services Limited	-	-	585.57	585.57	-	-	-	-	-	-	-	-	585.57	585.57
	Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	850.00	-	-	-	-	-	-	-	850.00
	Kotak Mahindra Prime Limited	-	-	-	-	27,080.69	27,080.69	-	-	-	-	-	-	27,080.69	27,080.69
	Kotak Infrastructure Debt Fund Limited	-	-	-	-	9,300.00	9,300.00	-	-	-	-	-	-	9,300.00	9,300.00
Investments in Shares Total		-	-	585.57	585.57	36,380.69	37,230.69	-	-	-	-	-	-	36,966.26	37,816.26
Deposits Paid	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	3.15	3.15	3.15
Deposits Paid Total		-	-	-	-	-	-	-	-	-	-	-	3.15	3.15	3.15
Deposits Taken	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	-	-	0.47	0.47	0.47
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	8.31	8.40	8.31
Deposits Taken Total		-	-	-	-	-	-	-	-	-	-	-	8.78	8.87	8.78
Interest Accrued On Fixed Deposits- Receivable	Kotak Mahindra Bank Limited	67.00	295.73	-	-	-	-	-	-	-	-	-	-	67.00	295.73
Interest Accrued On Fixed Deposits- Receivable Total		67.00	295.73	-	-	-	-	-	-	-	-	-	-	67.00	295.73
Fixed Deposits Placed	Kotak Mahindra Bank Limited	8,034.24	41,187.02	-	-	-	-	-	-	-	-	-	-	8,034.24	41,187.02
Fixed Deposits Placed Total		8,034.24	41,187.02	-	-	-	-	-	-	-	-	-	-	8,034.24	41,187.02
Bank Balance	Kotak Mahindra Bank Limited	-	10,830.40	-	-	-	-	-	-	-	-	-	-	-	10,830.40
Bank Balance Total		-	10,830.40	-	-	-	-	-	-	-	-	-	-	-	10,830.40
Broking Transactions (Secondary And Primary Market Operations)															
Purchases (Broking)	Kotak Mahindra Bank Limited	51,272.01	642.42	-	-	-	-	-	-	-	-	-	-	51,272.01	642.42
	Kotak Mahindra International Limited	-	-	-	-	12,156.46	55,160.05	-	-	-	-	-	-	12,156.46	55,160.05
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	152,275.23	73,482.79	-	-	-	-	-	-	152,275.23	73,482.79
	D Kannan	-	-	-	-	-	-	-	85.71	-	-	-	-	-	85.71
	Narayan S A	-	-	-	-	-	-	37.09	52.82	-	-	-	-	37.09	52.82
	Kamlesh Rao	-	-	-	-	-	-	518.09	2,529.58	-	-	-	-	518.09	2,529.58

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Nature of Transactions	Name of Related Party	Holding Company/ Controlling Entity		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel/persons having significant influence		Enterprises over which Directors/Key Management Personnel/Relatives of Key Management Personnel having Significant Influence		Grand Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	D G Subramanian	-	-	-	-	-	-	-	-	-	5.57	-	-	-	5.57
	Rekha Narayan	-	-	-	-	-	-	-	-	8.01	11.66	-	-	8.01	11.66
	Shanti Ekambaram	-	-	-	-	-	-	-	18.46	-	-	-	-	-	18.46
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	2,877,263.00	2,033,461.86	2,877,263.00	2,033,461.86	
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	24,032.36	26,210.04	24,032.36	26,210.04	
Purchases (Broking) Total		51,272.01	642.42	-	-	164,431.69	128,642.84	555.18	2,686.57	8.01	17.23	2,901,295.36	2,059,671.90	3,117,562.25	2,191,660.96
Sales (Broking)	Kotak Mahindra Bank Limited	5,852.51	12,014.27	-	-	-	-	-	-	-	-	-	-	5,852.51	12,014.27
	Kotak Investment Advisors Limited	-	-	-	-	-	607.65	-	-	-	-	-	-	-	607.65
	Kotak Mahindra International Limited	-	-	-	-	74,907.09	92,318.83	-	-	-	-	-	-	74,907.09	92,318.83
	Kotak Mahindra Investments Limited	-	-	-	-	11,108.55	7,408.52	-	-	-	-	-	-	11,108.55	7,408.52
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	131,762.54	88,102.55	-	-	-	-	-	-	131,762.54	88,102.55
	Kotak Mahindra Prime Limited	-	-	-	-	5,763.55	1,977.35	-	-	-	-	-	-	5,763.55	1,977.35
	C.Jayaram	-	-	-	-	-	-	-	977.31	-	-	-	-	-	977.31
	D Kannan	-	-	-	-	-	-	-	753.63	-	-	-	-	-	753.63
	Narayan S A	-	-	-	-	-	-	968.15	331.09	-	-	-	-	968.15	331.09
	Kamlesh Rao	-	-	-	-	-	-	2,088.12	2,453.97	-	-	-	-	2,088.12	2,453.97
	Ravi Iyer	-	-	-	-	-	-	154.26	219.86	-	-	-	-	154.26	219.86
	Rekha Narayan	-	-	-	-	-	-	-	-	-	41.23	-	-	-	41.23
	D G Subramanian	-	-	-	-	-	-	-	-	-	5.28	-	-	-	5.28
	Indira Suresh Kotak	-	-	-	-	-	-	-	-	1,223.26	-	-	-	1,223.26	-
	Shanti Ekambaram	-	-	-	-	-	-	-	388.54	-	-	-	-	-	388.54
	Uday S Kotak	168,723.82	-	-	-	-	-	-	-	-	-	-	-	168,723.82	-
	Jay Kotak	-	-	-	-	-	-	-	-	13.17	-	-	-	-	13.17
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	2,936,989.04	1,970,126.06	2,936,989.04	1,970,126.06	
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	31,107.43	26,188.50	31,107.43	26,188.50	
Sales (Broking) Total		174,576.33	12,014.27	-	-	223,541.73	190,414.90	3,210.53	5,124.40	1,236.43	46.51	2,968,096.47	1,996,314.56	3,370,661.49	2,203,914.64
Brokerage Earned	Kotak Mahindra Bank Limited	29.86	7.96	-	-	-	-	-	-	-	-	-	-	29.86	7.96
	Kotak Investment Advisors Limited	-	-	-	-	0.13	1.06	-	-	-	-	-	-	0.13	1.06
	Kotak Mahindra Asset Management Company Limited	-	-	-	-	4.45	0.12	-	-	-	-	-	-	4.45	0.12
	Kotak Mahindra International Limited	-	-	-	-	80.60	111.66	-	-	-	-	-	-	80.60	111.66
	Kotak Mahindra Investments Limited	-	-	-	-	15.54	15.70	-	-	-	-	-	-	15.54	15.70
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	182.52	116.16	-	-	-	-	-	-	182.52	116.16
	Kotak Mahindra Prime Limited	-	-	-	-	5.10	1.84	-	-	-	-	-	-	5.10	1.84
	C.Jayaram	-	-	-	-	-	-	-	1.17	-	-	-	-	-	1.17
	D Kannan	-	-	-	-	-	-	-	1.01	-	-	-	-	-	1.01
	Narayan S A	-	-	-	-	-	-	1.21	0.46	-	-	-	-	1.21	0.46
	Kamlesh Rao	-	-	-	-	-	-	2.88	1.14	-	-	-	-	2.88	1.14
	Ravi Iyer	-	-	-	-	-	-	0.19	0.26	-	-	-	-	0.19	0.26
	D G Subramanian	-	-	-	-	-	-	-	-	-	0.06	-	-	-	0.06
	Indira Suresh Kotak	-	-	-	-	-	-	-	-	1.22	-	-	-	1.22	-
	Rekha Narayan	-	-	-	-	-	-	-	-	0.01	0.06	-	-	0.01	0.06
	Shanti Ekambaram	-	-	-	-	-	-	-	0.49	-	-	-	-	-	0.49
	Uday S Kotak	168.72	-	-	-	-	-	-	-	-	-	-	-	168.72	-
	Jay Kotak	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	482.29	347.36	482.29	347.36	
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	2.43	2.32	2.43	2.32	
Brokerage Earned Total		198.58	7.96	-	-	288.34	246.54	4.28	4.53	1.28	0.12	484.72	349.68	977.20	608.83

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Nature of Transactions	Name of Related Party	Holding Company/ Controlling Entity		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel/persons having significant influence		Enterprises over which Directors/Key Management Personnel/Relatives of Key Management Personnel having Significant Influence		Grand Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Kotak Mahindra Capital Company Limited	-	-	-	-	307.36	344.17	-	-	-	-	-	-	307.36	344.17
	Kotak Mahindra Inc	-	-	-	-	690.29	680.50	-	-	-	-	-	-	690.29	680.50
	Kotak Mahindra Investments Limited	-	-	-	-	2.44	-	-	-	-	-	-	-	2.44	-
	Kotak Mahindra (UK) Limited	-	-	-	-	904.75	799.22	-	-	-	-	-	-	904.75	799.22
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	8.95	6.23	8.95	6.23
Expense Reimbursement To Other Companies Total		8,490.69	7,404.79	228.06	339.17	1,908.47	1,824.85	-	-	-	-	8.95	6.23	10,636.17	9,575.04
Expense Reimbursement By Other Companies	Kotak Mahindra Bank Limited	41.80	58.56	-	-	-	-	-	-	-	-	-	-	41.80	58.56
	Kotak Investment Advisors Limited	-	-	-	-	1.64	-	-	-	-	-	-	-	1.64	-
	Kotak Mahindra Asset Management Company Limited	-	-	-	-	19.80	19.80	-	-	-	-	-	-	19.80	19.80
	Kotak Mahindra Capital Company Limited	-	-	-	-	91.77	81.67	-	-	-	-	-	-	91.77	81.67
	Kotak Mahindra Investments Limited	-	-	-	-	0.19	0.06	-	-	-	-	-	-	0.19	0.06
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	2.58	4.98	-	-	-	-	-	-	2.58	4.98
	Kotak Mahindra Prime Limited	-	-	-	-	7.15	-	-	-	-	-	-	-	7.15	-
	Kotak Mahindra General Insurance Company Limited	-	-	-	-	2.21	0.29	-	-	-	-	-	-	2.21	0.29
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	-	0.81	0.96	0.81	0.96
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	180.86	193.82	180.86	193.82
Expense Reimbursement By Other Companies Total		41.80	58.56	-	-	125.34	106.80	-	-	-	-	181.67	194.78	348.81	360.14
Other Expenses	Kotak Mahindra Bank Limited	41.80	4.98	-	-	-	-	-	-	-	-	-	-	41.80	4.98
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	32.53	23.51	-	-	-	-	-	-	32.53	23.51
	Kotak Mahindra General Insurance Company Limited	-	-	-	-	39.17	22.38	-	-	-	-	-	-	39.17	22.38
	C.Jayaram	-	-	-	-	-	-	-	2.80	-	-	-	-	-	2.80
	Aero Agencies Limited	-	-	-	-	-	-	-	-	-	-	14.08	0.10	14.08	0.10
	Matrix Business Services India Private Ltd	-	-	-	-	-	-	-	-	-	-	4.47	2.97	4.47	2.97
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	136.52	152.13	136.52	152.13
Other Expenses Total		41.80	4.98	-	-	71.70	45.89	-	2.80	-	-	155.07	155.20	268.57	208.87
Other Income	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	18.92	18.44	-	-	-	-	-	-	18.92	18.44
Other Income Total		-	-	-	-	18.92	18.44	-	-	-	-	-	-	18.92	18.44
Purchase Of Fixed Asset	Kotak Mahindra Bank Limited	0.30	-	-	-	-	-	-	-	-	-	-	-	0.30	-
Purchase Of Fixed Asset Total		0.30	-	-	-	-	-	-	-	-	-	-	-	0.30	-
Sale Of Fixed Asset	Kotak Mahindra Bank Limited	51.66	11.43	-	-	-	-	-	-	-	-	-	-	51.66	11.43
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	0.32	-	0.32
Sale Of Fixed Asset Total		51.66	11.43	-	-	-	-	-	-	-	-	-	0.32	51.66	11.75
Remuneration To Key Management Personnel *	Kamlesh Rao	-	-	-	-	-	-	500.07	426.34	-	-	-	-	500.07	426.34
	Ravi Iyer	-	-	-	-	-	-	428.04	419.52	-	-	-	-	428.04	419.52
Remuneration To Key Management Personnel * Total		-	-	-	-	-	-	928.11	845.86	-	-	-	-	928.11	845.86
Rent Expense	Kotak Mahindra Bank Limited	2,263.33	1,097.60	-	-	-	-	-	-	-	-	-	-	2,263.33	1,097.60
	Uday S Kotak	8.24	8.24	-	-	-	-	-	-	-	-	-	-	8.24	8.24
	Kotak Mahindra Capital Company Limited	-	-	-	-	22.23	22.44	-	-	-	-	-	-	22.23	22.44

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Nature of Transactions	Name of Related Party	Holding Company/ Controlling Entity		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel/persons having significant influence		Enterprises over which Directors/Key Management Personnel/Relatives of Key Management Personnel having Significant Influence		Grand Total		
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	0.56	-	-	-	-	-	-	-	0.56	-	
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	-	-	2.61	2.61	2.61	2.61
Rent Expense Total		2,271.57	1,105.84	-	-	22.79	22.44	-	-	-	-	-	2.61	2.61	2,296.97	1,130.89
Rent Income	Kotak Mahindra Bank Limited	945.89	968.52	-	-	-	-	-	-	-	-	-	-	945.89	968.52	
	Kotak Mahindra Capital Company Limited	-	-	-	-	69.59	69.59	-	-	-	-	-	-	69.59	69.59	
	Kotak Mahindra Investments Limited	-	-	-	-	8.61	8.86	-	-	-	-	-	-	8.61	8.86	
	Ace Derivatives And Commodity Exchange Limited	-	-	-	-	-	-	-	-	-	-	0.30	-	0.30	-	
Rent Income Total		945.89	968.52	-	-	78.20	78.45	-	-	-	-	0.30	-	1,024.39	1,046.97	
Other Outstanding																
Receivable (Others)	Kotak Mahindra Asset Management Company Limited	-	-	-	-	29.41	9.31	-	-	-	-	-	-	29.41	9.31	
	Kotak Investment Advisors Limited	-	-	-	-	-	9.90	-	-	-	-	-	-	-	9.90	
	Kotak Mahindra Capital Company Limited	-	-	-	-	478.91	29.88	-	-	-	-	-	-	478.91	29.88	
	Kotak Mahindra Investments Limited	-	-	-	-	1.61	1.51	-	-	-	-	-	-	1.61	1.51	
	Kotak Mahindra Life Insurance Company Limited	-	-	-	-	3.93	2.31	-	-	-	-	-	-	3.93	2.31	
	Infina Finance Private Limited	-	-	-	-	-	-	-	-	-	-	0.88	-	0.88	-	
	Ace Derivatives And Commodity Exchange Limited	-	-	-	-	-	-	-	-	-	-	0.33	-	0.33	-	
	Kotak Commodity Services Private Limited	-	-	-	-	-	-	-	-	-	-	6.52	10.00	6.52	10.00	
Receivable (Others) Total		-	-	-	-	513.86	52.91	-	-	-	-	7.73	10.00	521.59	62.91	
Payable (Others)	Kotak Mahindra Bank Limited	187.21	430.82	-	-	-	-	-	-	-	-	-	-	187.21	430.82	
	Uday S Kotak	-	0.69	-	-	-	-	-	-	-	-	-	-	-	0.69	
	Kotak Mahindra Financial Services Limited	-	-	33.03	47.23	-	-	-	-	-	-	-	-	33.03	47.23	
	Kotak Investment Advisors Limited	-	-	-	-	3.56	-	-	-	-	-	-	-	3.56	-	
	Kotak Mahindra Inc	-	-	-	-	53.07	75.45	-	-	-	-	-	-	53.07	75.45	
	Matrix Business Services India Private Ltd	-	-	-	-	-	-	-	-	-	-	-	0.60	-	0.60	
	Kotak Mahindra (UK) Limited	-	-	-	-	57.85	76.01	-	-	-	-	-	-	57.85	76.01	
Payable (Others) Total		187.21	431.51	33.03	47.23	114.48	151.46	-	-	-	-	-	0.60	334.72	630.80	

44. Figures for the previous year have been regrouped wherever necessary to conform to current year's classifications.

For and on behalf of the Board of Directors

Uday S. Kotak

Chairman

K.V.S. Manian

Director

Narayan.S.A

Director

Kamlesh Rao

Managing Director

Ravi Iyer

Managing Director

Trivikram Kamath

Senior Executive Vice President

Mumbai,

Date : 23rd April, 2018

Deepak Shenoy

Company Secretary



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

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

CIN: L65110MH1985PLC038137