Annual Report 2018-19

Courage
of Conviction.
Constancy
of Change.

Directors' Report

To
the Members of
KOTAK SECURITIES LIMITED

Your Directors are pleased to present the 25th Annual Report together with the Audited Accounts for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(Rupees in Lacs)

	Standalone	
	31st March, 2019	31st March, 2018
Total Income	172,557.38	171,857.33
Profit/ (Loss) before Interest, Tax and Depreciation	78,127.75	89,186.31
Finance Cost	12,620.02	10,571.18
Profit/ (Loss) before Depreciation and Tax	65,507.73	78,615.13
Depreciation	2,265.78	2,336.16
Profit/ (Loss) before Tax	63,241.95	76,278.97
Tax Expense (including deferred tax credit)	22,482.38	26,420.14
Net Profit/ (Loss)	40,759.57	49,858.83
Other Comprehensive Income	(484.27)	(886.98)
Total Comprehensive Income	40,275.30	48,971.85
Balance carried to Balance Sheet	**40,275.30**	**48,971.85**

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 2018-2019 (hereinafter referred to as 'current financial year').

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 is ₹1,60,00,000. During the year under review, the Company has not issued any shares.

SUBSIDIARY

- Kotak Mahindra Financial Services Limited (KMFSL)

ASSOCIATES

- Kotak Mahindra Prime Limited (KMPL)
- Kotak Infrastructure Debt Fund Limited (KIDFL)

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

Consolidated Financial Statements in terms of Section 129(3) of the Companies Act, 2013 are prepared consolidating Financial Statements of Subsidiaries and Associates in accordance with applicable Accounting Standards.

The performance of the subsidiary and each of the associates are presented in AOC 1 which forms part of the Financial Statements.

FUTURE OUTLOOK

Markets

The BSE Sensex gained 17.30 per cent where as the NSE Nifty closed the financial year with a gain of 14.93 per cent. Sectors like bank, energy and IT outperformed followed by FMCG and Pharma. However, the small-cap index plunged 11.57 per cent and the mid-cap index went down by 3 per cent during 2018-19 fiscal. Concerns of slowdown in global economy, rising crude oil prices, trade war fears and NBFC sector liquidity fears impacted sentiment in the broader market during the year.

The Equity market staged a smart recovery in last month of the financial year with foreign investors investing in a big way in Indian equities in the wake of US central bank halting further interest rate hike on growth concerns. Market rally is further fueled by very strong political verdict to the ruling party in recent Parliamentary election result.

Big structural reforms like GST and demonitisation have stabilised now and will start showing the positive impact on the economy in the years to come. With the stable government at helm, the economy is further poised for long term reforms in various sectors of economy. This augurs well for the equity market. Consequently, structural bull run in the equity market is expected to continue.

The exchange rate of the Indian rupee vis à-vis the US dollar appreciated in the later half of the financial year, after coming under sustained pressure during August-September 2018. The rupee, as a result of crude movement and mixed macros, rose to around INR 74.48 per US dollar during the year. INR averaged 69.89 against the Dollar in FY 2019 - depreciating by ~7.8% from the average seen in FY 2018.

Indian Economy

Indian economy has clocked the growth of around 7% for the FY19 and is likely to keep pace at the same rate of 7.2% in FY20E. CPI inflation remains well below the RBI's target which has got revised to 3-3.1% for 1H-FY20 and 3.4-3.7% for 2H-FY20. Post its June meeting, RBI has changed its stance to 'accommodative' from 'neutral'. The weak growth and benign inflation mix leaves room for additional monetary easing in FY20.

In spite of shortfall in GST collections and slowdown faced by the economy, government has been able to achieve its revised Fiscal Deficit target of 3.4 percent in FY19. This has come mainly on the back of cut in revenue expenditure. FY19 also marked the completion of one year of rollout of goods and services tax (GST). The monthly GST collections though continue to be below the required run rate.

In our view the priority of the government will be to revive economic growth and investment although the macro-economic situation is quite challenging. The scope of doing Monetary stimulus is more than Fiscal stimulus due to the fiscal constraints. Revival of capex cycle and investment of private sector in infrastructure building will be crucial to achieve the desired GDP growth rate and job creation. Recapitalisation of public sector banks and resolution of stressed assets under the insolvency and bankruptcy code are expected to improve bank credit offtake and support investment and aggregate demand.

Key focus areas of the NDA – II government that could boost the economy are: Heavy spending on infrastructure, uplifting rural incomes, housing for all by 2022, Make in India through ease of doing business, Banking reforms, Privatisation & strategic divestment of PSUs and simplifying GST rates.

Global headwinds will persist and could intensify further due to the escalation of trade war. The IMF cut its 2019 forecast for global growth from 3.6% last year to 3.3%, the slowest since the recession year 2009. IMF has also warned that the US China tariffs that have been both implemented and proposed, could cut its 2020 global growth target of 3.6% by 0.5%. The U.S. economy is also slowing from its strong rate of growth in 2018.

Brent crude price has declined sharply from its October, 2018 high level. Crude oil is expected to remain under pressure on the back of US-China trade war and rising US oil inventories. Till the time Brent Crude price remains in the range of USD 55-70/barrel it is good for India's twin deficit. Brent crude price above USD 70/barrel is harmful for Indian economy.

With respect to Indian regulations framework, SEBI has been implementing various initiatives for better regulation and growth of the equity markets. Recently it has proposed implementation of Inter-operability among clearing corporation. This will result in following benefits for the market.

i. Optimum utilization of margins by the members leading to saving in operational cost

ii. Opening up of better arbitrage opportunity across exchange and reduction of cost of transaction of clients

iii. Removal of systematic risk in clearing corporations.

Further Exchanges have started applying stricter norms for introduction of stock in future and option segment, to ensure stocks with sound fundamental and appropriate liquidity only gets traded in Derivative segment. Implementation of physical settlement of derivative stocks is introduced in order to curtail down the speculative transaction and to ensure more delivery based transaction.

Further in this year's budget, unified collection of stamp duty has been proposed which will ensure uniformity in levying of stamp charges across states.

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:

- Best Brokerage India 2018 – by Triple A Asset Country Awards in the Best Advisors South Asia Category
- Best Retail IPO Bidding Member, 2018 by NSE
- NSDL Star Performer Award in category "Top Performer in New Accounts Opened – (Non- Bank) – 1st Position ,2018
- Bronze at IAMAI, 2018 in the category "Best Omni Channel Campaign Management and Marketing automation"
- Gold at ACEF for Email marketing & successful use of technology
- Silver at ACEF for Data driven marketing & successful of technology
- Kotak Securities was awarded "Early adopter of Analytics" at Machine conference 2018 for using Analytics extensively in client management.
- Award for Highest AUM in ETF category awarded by Kotak AMC.

OPERATIONS

The Sensex closed at 38,673 as on 31st March, 2019 compared to 32,968 as on 31st March, 2018, with a high of 38,990 and low of 32,973. Similarly, the benchmark Nifty which closed at 10,113 as on 31st March, 2018 closed at 11,623 as on 31st March, 2019 with a high of 11,760 and low of 10,004.

The financial year FY 2019 saw a flat volume growth in Cash Market where as the equity derivative segment continued its robust growth over FY 2018.

Market average daily volumes (ADV) increased to ₹ 35,180 crore for FY 2019 from ₹ 33,768 crore for FY 2018 for the Cash Segment, and increased to ₹ 958,067 crore for FY 2019 from ₹ 670,670 crore for FY 2018 for Derivatives Segment.

Average Daily Volumes of the company increased from ₹ 13,691 crore for FY 2018 to ₹ 26,203 crore for FY 2019. Company's continued focus on Cash Segment resulted in the increase in its market share to 9.1% from 8.5% in FY 2018. Further overall market share of the company increased to 2.6% for FY 2019 compared to 1.9% for FY 2018.

Retail Segment

During the year your company launched FIT (Free Intraday Trading), a subscription based product, targeted at online customers. Further a biometric based account opening application was rolled out during the year. These resulted in a higher customer acquisition for the year. The FY 2019 show an addition of ~ 2.87 lakh customers with a large part of them being online trading customers. Your company also launched commodity brokerage services and direct mutual fund platform during FY 2019.

The mobile trading application of the company with enhanced features and functionality continues to be a leader in the market. Trading volume through mobile app show a growth of more than 150% in cash segment. During the year significant technology projects across campaign, analytics and core platforms were initiated. Your company continues to invest in Technology to maintain its leadership position and take several initiatives to enhance the customer experience across channels.

The total outlets stood at 1,328 at the end of the financial year. The number of registered Authorised Persons stood at 1,875 for NSE and 1,385 for BSE.

Institutional Equities

While the market Volumes for Cash Segment remained flat during the year, the Derivatives Segment Volumes grew significantly over the previous year. Your company's Institutional Equities division further consolidated its leadership position in the market amongst the domestic players. Yields across the client segments continued to be under pressure. Impact of MiFID II regulation, which became applicable from January 2018, unfolded during the year. Your company however, successfully negotiated with the clients and saw a significant improvement in revenues, particularly from European clients. Your company executed a number of block trades and distributed a number of IPOs, QIPSs and Open Offers. Your company continued to invest in Technology to upgrade its IT infrastructure with a special focus on developing new algos for the Derivatives segment. Your company's Institutional Equities Research continues its leadership position and is well respected within the industry. The Research and Sales teams continued to get higher recognition through votes received from various clients.

Primary Market

The activity in the primary market remain largely muted during the year. Due to sharp correction in the equity market during the year, the sentiment in the primary market remained negative keeping the fund raising by the companies at a very low level. In the current financial year, your Company was associated with the distribution of 16 Public Offer Issues, Debt Public Offer Issues, Buy backs, Offers for Sale, Gold linked bonds etc.

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):

i. Travelling ₹ 13.23 Lakhs (Previous Year ₹ 26.85 Lakhs)

ii. Membership and Subscription ₹ 166.99 Lakhs (Previous Year ₹ 115.13 Lakhs)

iii. Business Promotion ₹ 6.02 Lakhs (Previous Year ₹ 10.07 Lakhs)

iv. Common Establishment Expenses - Reimbursement ₹1,559.70 Lakhs (Previous Year ₹ 1583.42 Lakhs)

v. Communication ₹ 277.56 Lakhs (Previous Year ₹ 253.61 Lakhs)

vi. Data Processing Charges ₹ 27.78 Lakhs (Previous Year ₹ 33.66 Lakhs)

vii. Professional Fees ₹448.03 Lakhs (Previous Year ₹ 284.18 Lakhs).

viii. Conference & Meeting ₹ 8.10 Lakhs (Previous Year ₹ 8.86 Lakhs).

ix. Sub-brokerage / Referral Fees ₹ 659.50 Lakhs (Previous Year ₹ 1,204.32 Lakhs).

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

i. Advisory Fees ₹ 2,377.29 Lakhs (Previous Year ₹ 1,826.62 Lakhs)

DEPOSITS

Your Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

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 AS 24 are reported in Notes to Accounts under clause no. 36

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.**

ANNUAL RETURN

The extracts of the annual return as on the financial year ended on March 31, 2019 in Form MGT-9 is enclosed as Annexure-B and shall form part of Board's Report. Annual Return of the Company hosted on the website of the Company. The weblink for Annual Return is as below:
http://www.kotaksecurities.com/ksweb/important-Policies

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.

During the year under review no cases were reported to Whistle Blower Committee or the Chairman of the Audit Committee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Uday Kotak stepped down as the Chairman and Director of the Company w.e.f. March 14, 2019. We would like to place on record Mr. Kotak's immense contribution in forming and nurturing one of India's leading broking institution – Kotak Securities Ltd. As part of creating a full service BFSI conglomerate, Mr. Kotak started the broking business about twenty five years back. Over the years, Mr. Kotak's vision and guidance has led to Kotak Securities Ltd. emerging as a premier broking house catering to both retail and institutional clients. In October, 2018, Government of India appointed Mr. Kotak as the Non-Executive Chairman of the new IL&FS board with a mandate to steer one of India's largest NBFCs - IL&FS, out of the crisis that it is caught up in, which he took up as national duty.

Mr. Narayan S. A. has been appointed as Chairman of Kotak Securities Ltd. with effect from 14th March, 2019. For nearly twenty five years, Mr. Narayan has worked closely with Mr. Uday Kotak in the growth journey of Kotak Securities Ltd., and has held key positions of Chief Operating Officer, Executive Director and Managing Director in the Company before moving into Kotak Mahindra Bank Ltd. about 9 years back. Presently, Mr. Narayan is designated as President - Group Treasury and Retail Broking, Kotak Mahindra Bank Limited.

I. APPOINTMENT

Mr. Narayan SA appointed as the Chairman of the Company w.e.f. March 14, 2019.

II. RETIREMENT BY ROTATION

Mr. KVS Manian retires by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment and has offered himself for re-appointment.

III. RESIGNATION

Mr. Uday Kotak stepped down as the Chairman and Director of the Company w.e.f. March 14, 2019.

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 Director and the Company Secretary, is as per the terms of their employment.

VI. MEETINGS OF BOARD

During the year nine 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. Noshir Dastur as Chairman and Ms. Falguni Nayar and Mr. Narayan S.A, as its member.

  During the year five meetings of the Committee were held.

  For all the Audit Committee meetings held in the Financial Year 2018-19, Mr. Narayan SA was chairman of the Committee. Mr. Noshir Dastur was appointed as the Chairman w.e.f. March 28, 2019.

- **Nomination and Remuneration Committee**

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

  During the year two meetings of the Committee were held.

  For all the Nomination and Remuneration Committee meetings held in the Financial Year 2018-19, Mr. Narayan SA was chairman of the Committee. Ms. Falguni Nayar was appointed as the Chairperson w.e.f. March 28, 2019.

- **Corporate Social Responsibility Committee**

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

  During the year two meetings of the Committee were held.

- **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 thirteen 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. Ravi Iyer 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. Both the Independent Directors were present at the meeting.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment. The said policy is in line with relevant Act passed by the parliament in 2013. The Company through the policy ensures that all such complaints are resolved within defined timelines. During the year, no cases were reported to the Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee (NRC) had approved a framework/policy for evaluation of the Board, Committees of the Board and the Individual members of the Board. The performance evaluation has been carried out as per the requirement of the Companies Act, 2013 and based on the framework approved by the Nomination and Remuneration Committee.

AUDITORS

- **Statutory Auditors:**

The Company's auditors, M/s Deloitte Haskins & Sell LLP, Chartered Accountants (Firm Regn No: 117366W/W-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.

- **Secretarial Auditor:**

The Board had appointed Mrs. Rupal Jhaveri, Practicing 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:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2019 and of the profit of your Company for the financial year ended 31st March, 2019;

(iii) 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

Sd/-
Narayan SA
Chairman
(DIN No - 00007404)

Place: Mumbai
Date: 30th May, 2019

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

[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	20th 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 Yes / No	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:-

Sl. 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	50.30%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
1	Kotak Mahindra Bank Ltd. Address: 27BKC, 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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	1,199,985	1,199,985	74.99906	-	1,199,985	1,199,985	74.99906	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**
2) Foreign									
a) NRIs - Individuals	-	-		-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-		-	-	-	
Sub total (A) (2)	**-**	**-**	**-**	**-**		**-**	**-**	**-**	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**
B. Public Shareholding as per classification given by Depository									
1. Institutions									
a) Mutual Funds	-	-		-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-		-	-	-	
f) Insurance Companies	-	-		-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	400,010	-	400,010	25.00063	400,010	-	400,010	25.00063	-
ii) Overseas	-	-	-	-		-	-	-	

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**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. N o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	KOTAK MAHINDRA BANK LTD.	1,199,985	74.99906	-	1,199,985	74.99906	-	-

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

Sl. No.		Shareholding 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
	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)

Sl. no.	Name of the Share Holder	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year: No. of share	Shareholding at the beginning of the year: % of total shares of the company	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % 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:

Sl. no	Name of Director and Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		For Each of the Directors and KMP	No. of share	% of total shares of the company	No. of shares	% of total shares
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 during the year	Date wise Increase / Decrease in Shareholding during the year				
		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

(₹ in Lacs)

	Secured NCDs excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	212,836.78	-	212,836.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**212,836.78**	**-**	**212,836.78**
Change in Indebtedness during the financial year				
- Addition	-	655,388.21	-	655,388.21
- Reduction	-	(731,934.31)	-	(731,934.31)
Net Change	**-**	**(76,546.10)**	**-**	**(76,546.10)**
Indebtedness at the end of the financial year				
i) Principal Amount	-	136,290.68	-	136,290.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**136,290.68**	**-**	**136,290.68**

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 Managing Directors		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	2,70,99,873	3,89,87,708	6,60,87,581
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,31,66,627	2,10,24,986	3,41,91,613
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit			
	- Others, specify…			
5	Others, please specify	-	-	
	Total (A)	**4,02,66,500**	**6,00,12,694**	**10,02,79,194**
	Ceiling as per the Act			**83,70,52,370**

B. Remuneration to other directors

SL. No.	Particulars of Remuneration	Name of Director		Total ₹
		Noshir Dastur	Falguni Nayar	
1	**Independent Directors**			
	Fee for attending board /committee meetings	6,00,000	3,20,000	9,20,000
	Commission*	6,00,000	6,00,000	12,00,000
	Others, please specify	-	-	-
	Total (1)	**12,00,000**	**9,20,000**	**21,20,000**
	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.*

(₹ in Lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel
		Deepak Shenoy (Company Secretary)
1	Gross salary	12,98,468
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961@	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	
3	Sweat Equity	
4	Commission	-
	- as % of profit	
	- others, specify…	
5	Others, please specify	-
	Total	**12,98,468**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

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	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-
Narayan SA
Chairman
DIN No. 00007467

Place: Mumbai
Date: 30th May, 2019

Note on CSR Activities - Kotak Securities Limited

1 The Company has a Corporate Social Responsibility (CSR) Committee consisting of the following Directors

a. Mr. Narayan S.A. - Director

b. Mr. Noshir Dastur - Independent Director

c. Mr. Kamlesh Rao - Managing Director

2 Your Company's CSR Committee drives the CSR programme of the Company. Your Company has a Board approved CSR policy, charting out its CSR approach. This policy articulates the Company's aim to positively contribute towards economic, environmental and social well-being of communities through its CSR interventions. The core CSR focus areas outlined are:

- Education
- Vocational skills and livelihood
- Preventive healthcare and sanitation
- Reducing inequalities faced by socially and economically backward groups
- Sustainable development
- Relief and rehabilitation
- Clean India
- 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 U/S 198 of the Company for the last three financial years preceding 31st March, 2019 is ₹ 551.68 Crore.

b. The prescribed CSR expenditure required U/S 135, of the Act for FY 2018-19 is ₹ 1,103.00 lakh.

c. The CSR expenditure incurred from 1st April, 2018 to 31st March, 2019 U/S 135 of the Companies Act, 2013 amounts to ₹ 422.00 lakh as against ₹ 150.00 lakh CSR Expenditure incurred in FY 2017-18. The unspent amount CSR Expenditure amount for FY 2018-19 is ₹ 681.00 lakh.

d. CSR expenditure of ₹ 422.00 lakh as a percentage of average net profit U/S 198 of the Company at ₹ 551.68 crore, which is 0.76 %.

5 The Company's budget in CSR focussed sectors and programmes are approved by the Board CSR Committee and the Board. The Company's CSR budget is guided by the vision of creating long-term benefits for the society. The Company has been building its CSR capabilities on a sustainable basis and is committed to gradually increasing its CSR spending in the coming year for its long-term projects. The Company identifies suitable NGO partners for carrying out its CSR programmes. It undertakes CSR programmes that are scalable, sustainable and have the potential to be replicated across locations and create a sustainable and measurable impact in communities.

Most of the CSR programmes undertaken are in the area of education, livelihood, vocational skills and healthcare. The Company's CSR footprint has been consistently increasing over the years. The Company is committed to stepping-up its CSR programmes and expenditure in the years ahead.

The Company's CSR Expenditure in FY 2018-19 of ₹ 422.00 lakh, which is over 281 % higher than the previous financial year. In FY 2016-17, the Company's CSR Expenditure was ₹ 80.00 lakh, which increased to ₹ 150.00 lakh in FY 2017-18 – an increase of over 188 % over the previous financial year.

Your Company does not consider "administrative overheads" as part of its CSR Expenditure.

The details of CSR Programmes and Expenditure U/S 135 of the Companies Act, 2013, for FY 2018-19, are annexed to this report.

The details of CSR activities and spends under section 135 of the Companies Act, 2013 for F.Y. 2018-19

	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 (₹ Lakh)	Programme / project wise actual spend during the year – Direct expenditures (₹ Lakh)	Programme / project wise actual spend during the year – Overheads (₹ Lakh)	Cumulative Expenditure up to reporting period (Since FY 2014-15) (₹ Lakh)	Amount spent Direct or through implementing agency (₹ Lakh)
1	Promoting education	Education	Pan India	411.00	335.71	32.83	776.00 (Out of ₹ 411.00 Lakh, the NGOs have not utilised ₹ 42.46 Lakh. This will be utilised for meeting the expenses for FY 2019-20)	Implementing Agency - 322.00 Lakhs Direct Implementation -89.00 Lakhs
2	Promoting healthcare	Healthcare	Pune and Nashik (Maharashtra)	11	-	-	11.00 (This amount has not been utilised and will be used towards meeting expenses for FY 2019-20)	Implementing Agency - 11.00 Lakhs
Total CSR Spent U/S 135 of the Companies Act, 2013, During F.Y. 2018-19								**₹ 4,22,00,000**

Summary of CSR Programmes implemented in FY 2018-19

- Kotak Education Foundation (KEF) is the Company’s long-term CSR partner and primary vehicle to implement its CSR Programmes in Education and Livelihood.

  Founded in 2006, KEF empowers young people from underprivileged families through various education- based initiatives and equips them with employable skills. KEF also organises various livelihood programmes for Below Poverty Line (BPL) families in the regions of Mumbai, Thane and Raigad.

  Additionally, the Company has started implementing long term CSR Programmes that are sustainable and scalable.

- In FY 2018-19 the company expanded its CSR Programme on Education, in partnership with (and through) Pratham Education Foundation (Pratham). The expenditure is made with an objective to improve quality of education and to ensure that learning is accomplished through its various interventions for the children, starting with preschool. This programme provides equal comprehensive learning and educational opportunities to the children from economically disadvantaged families within the school and outside the class-rooms. and is being implemented in Hyderabad, Jaipur, Nagpur, Nashik, Patna, Vizag, Lucknow and Jaipur

- In FY 2018-19, the Company implemented its Direct CSR Programme on Promoting Education, Enhancing Vocational Skills and Livelihood with an endeavour to empower the large population of India. This includes less and under privileged segments of the society who don’t understand finance across rural and urban landscape and help the financially illiterate avail free knowledge and awareness of all aspects of finance. This Programme will offer a structured course which includes study material across different aspects of finance. The long term objective of this Programme is to conduct certification programmes which would contribute to employment and self-employment opportunities. The first phase module will be website based self-learning.

- In FY 2018-19, the Company implemented its CSR Programme on Healthcare in partnership with (and through) “Ratna Nidhi Charitable Trust”. Under this CSR initiative, artificial prosthetic aids are distributed free of cost to the persons with physical disabilities in Nashik and Pune. The main objective is to uplift people with physical disability by providing them access to mobility aids so as to enable their social and economic empowerment.

Kamlesh Rao
Managing Director

Narayan S.A.
Chairman - CSR Committee

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[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,
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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2019 ('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 the Company for the financial year ended on March 31, 2019 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:There was no overseas Direct Investment made or External Commercial Borrowingsduring the year.

(v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vii) 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 and SEBI(Depositories and Participants) Regulations, 2018;

  (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(Not Applicable);

  (f) SEBI (Intermediaries) Regulations, 2008;

  (g) SEBI (Investment Advisers) Regulations, 2013(Not Applicable);

  (h) SEBI (Investor Protection and Education Fund) Regulations, 2009(Not Applicable);

  (i) SEBI [KYC (Know Your Client) Registration Agency) Regulations, 2011;

  (j) SEBI (Mutual Funds) Regulations, 1996 (Not Applicable);

  (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not Applicable);

(p) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(Not Applicable);

(q) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable);

(r) 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;

(s) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not Applicable);

(t) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018(Not Applicable);

(u) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(Not Applicable).

(viii) 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 subject to the following observations:

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 subsidiaryalong with the Company's financial Statementsis 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 for the Financial Year 2017-18 prepared and filed during the year.

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 and Committee 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.

Rupal Dhiren Jhaveri
Place: Mumbai FCS No: 5441
Date: May 15, 2019 Certificate of Practice No. 4225

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

To,
The Members
KOTAK SCEURITIES 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.

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

Place: Mumbai
Date: May 15, 2019

Independent Auditors' Report

TO THE MEMBERS OF KOTAK SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Kotak Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report including Annexures to the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2018 and the related transition date opening balance sheet as at 1st April 2017 included in these standalone financial statements, have been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The standalone financial statements for the financial year ended March 31, 2017 were audited by the predecessor auditor whose report dated April 26, 2017 expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, referred to in the Other Matters section above we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 standalone 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. 033023)

Place: Mumbai
Date: June 7, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Other Reporting Responsibilities' section of our report of even date on the Standalone Financial Statements of Kotak Securities Limited for the year ended 31st March, 2019)

Report on the Internal Financial Controls Over Financial Reporting

We have audited the internal financial controls over financial reporting of **Kotak Securities Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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. 033023)

Place: Mumbai
Date: June 7, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Standalone Financial Statements of Kotak Securities Limited ("the Company") for the year ended March 31, 2019)

(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 explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(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, goods and services 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 March 31, 2019 for a period of more than six months from the date they became payable.

(c) As at March 31, 2019, 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*	-

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 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. 033023)

Place: Mumbai
Date: June 7, 2019

Balance Sheet

as at 31st March, 2019

(₹ in lakhs)

	Particulars	Note No.	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
ASSETS					
(1)	**Financial assets**				
(a)	Cash and cash equivalents	2	2,013.92	10,259.10	11,302.06
(b)	Bank Balance other than Cash and cash equivalents	3	343,744.36	288,400.10	214,296.13
(c)	Derivative financial instruments	4	224.39	407.00	271.40
(d)	Receivables	5			
	Trade receivables		169,298.66	170,647.68	204,663.12
			169,298.66	**170,647.68**	**204,663.12**
(e)	Loans	6	58,133.56	66,562.77	109.76
(f)	Investments	7	258,445.21	194,435.47	149,837.48
(g)	Other Financial assets	8	1,285.16	25,065.82	18,319.75
	Total Financial assets		**833,145.26**	**755,777.94**	**598,799.70**
(2)	**Non-financial assets**				
(a)	Current Tax assets (Net)	9	1,369.01	1,138.41	4,090.94
(b)	Deferred Tax assets (Net)	10	612.82	-	-
(c)	Investment Property	11	2,187.87	2,233.16	2,278.45
(d)	Property, Plant and Equipment	12	5,649.83	5,455.34	5,107.64
(e)	Other intangible assets	13	480.26	826.85	748.21
(f)	Other Non-Financial assets	14	4,406.26	3,120.84	2,077.07
	Total Non-financial assets		**14,706.05**	**12,774.60**	**14,302.31**
	Total Assets		**847,851.31**	**768,552.54**	**613,102.01**
LIABILITIES AND EQUITY					
LIABILITIES					
(1)	**Financial liabilities**				
(a)	Derivative financial instruments	4	352.27	530.85	247.37
(b)	Payables	15			
	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		296,472.46	176,321.40	204,775.69
			296,472.46	**176,321.40**	**204,775.69**
(c)	Debt securities	16	136,290.68	212,836.78	86,677.44
(d)	Other Financial liabilities	17	7,437.47	13,252.85	5,249.55
	Total Financial liabilities		**440,552.88**	**402,941.88**	**296,950.05**
(2)	**Non-Financial liabilities**				
(a)	Current tax liabilities (Net)	9	1,584.17	2,259.33	2,215.59
(b)	Provisions	18	3,513.87	3,193.70	2,617.45
(c)	Deferred tax liabilities (Net)	10	-	263.57	714.51
(d)	Other non-financial liabilities	19	2,330.80	1,885.21	2,370.65
	Total Non-financial liabilities		**7,428.84**	**7,601.81**	**7,918.20**
	Total Liabilities (A)		**447,981.72**	**410,543.69**	**304,868.25**
(3)	**EQUITY**				
(a)	Equity Share Capital	20	160.00	160.00	160.00
(b)	Other equity	21	399,709.59	357,848.85	308,073.76
	Total Equity (B)		**399,869.59**	**358,008.85**	**308,233.76**
	Total Liabilities and equity (A+B)		**847,851.31**	**768,552.54**	**613,102.01**
	See accompanying notes to the standalone financial statements	1-47			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 07th June, 2019

For and on behalf of the Board of Directors

Narayan.S.A
Chairman

Kamlesh Rao
Managing Director

Ravi Iyer
Managing Director

Shripal Shah
Senior Executive Vice President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 30th May, 2019

Statement of Profit And Loss
for the year ended 31st March, 2019

(₹ in lakhs)

	Particulars	Note no.	For the year ended March 31st, 2019	For the year ended March 31st, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest income	22	53,986.17	48,220.16
(ii)	Dividend income	23	595.06	560.29
(iii)	Fees and commission income	24	106,774.69	109,964.20
(iv)	Net gain on fair value changes	25	9,443.30	10,719.97
(I)	**Total revenue from operations**		**170,799.22**	**169,464.62**
(II)	**Other income**	26	1,758.16	2,392.71
(III)	**Total income (I + II)**		**172,557.38**	**171,857.33**
	EXPENSES			
(i)	Finance costs	27	12,620.02	10,571.18
(ii)	Fees and commission expense	28	23,620.00	14,056.87
(iii)	Impairment on financial instruments	29	1,529.92	43.61
(iv)	Employee Benefits expenses	30	35,674.99	32,629.24
(v)	Depreciation, amortisation and impairment	31	2,265.78	2,336.16
(vi)	Other expenses	32	33,604.72	35,941.30
(IV)	**Total expenses**		**109,315.43**	**95,578.36**
(V)	**Profit before tax (III-IV)**		**63,241.95**	**76,278.97**
(VI)	**Tax expense**	34		
	(1) Current tax		23,191.33	26,584.18
	(2) Current tax pertaining to prior periods		2.90	9.17
	(3) Deferred tax charge/(credit)		(711.85)	(173.21)
	Total tax expense (1+2+3)		**22,482.38**	**26,420.14**
(VII)	**Profit for the year from continuing operations (V-VI)**		**40,759.57**	**49,858.83**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		(115.00)	(117.65)
	Sub-total		**(115.00)**	**(117.65)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		40.19	41.11
	Total (A)		**(74.81)**	**(76.54)**
	(B) Items that will be reclassified to profit or loss			
	(i) Debt Instruments through Other Comprehensive Income		(533.82)	(1,047.06)
	Sub total		(533.82)	(1,047.06)
	(ii) Income tax relating to items that will be reclassified to profit or loss		124.36	236.62
	Total (B)		**(409.46)**	**(810.44)**
	Other comprehensive income (A+B)		**(484.27)**	**(886.98)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**40,275.30**	**48,971.85**
(X)	**Earnings per equity share**	33		
	Basic (₹)		2,547.47	3,116.18
	Diluted (₹)		2,547.47	3,116.18
	See accompanying notes to the standalone financial statements	1-47		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 07th June, 2019

For and on behalf of the Board of Directors

Narayan.S.A
Chairman

Kamlesh Rao
Managing Director

Ravi Iyer
Managing Director

Shripal Shah
Senior Executive
Vice President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 30th May, 2019

Statement of Cash Flow

for the year ended 31st March, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
(A)	**Cash flow from operating activities**		
	Profit before tax	**63,241.95**	**76,278.97**
	Add / (Less) adjustment from /(used in):		
	Depreciation, amortisation and impairment	2,265.78	2,336.16
	Finance Costs	10,545.03	9,127.20
	Interest income on Investment	(6,743.35)	(6,429.45)
	Dividend income	(595.06)	(560.29)
	Rental Income from Investment Property	(1,005.01)	(945.89)
	Liabilities Written back as no longer required	(103.66)	(82.07)
	Provision for contingencies written back	-	(320.00)
	Remeasurement of net defined benefit plan	(115.00)	(117.65)
	Provision for diminution in Value of Stock in trade	-	234.24
	Net Gain on derecognition of Property, Plant and Equipment	(50.91)	(37.16)
	Profit on sale of investments (net)	(3,868.77)	(2,935.98)
	Net Unrealised exchange (Gain) / Loss (net)	1.47	(4.11)
	Provision / (Reversal) for/ of diminution in value of Investments	37.81	(413.45)
	Fair value of ESOP and SARS	1,583.60	805.31
	Impairment on financial instruments	1,529.92	43.61
	Operating profit before working capital changes	**66,723.80**	**76,979.44**
	Changes in working capital adjustments		
	Adjustment for		
	Increase/ (decrease) in trade payables	119,198.14	(28,419.97)
	Increase / (decrease) in provisions	323.00	894.18
	Increase / (decrease) in other financial liabilities	(5,703.38)	7,789.43
	Increase / (decrease) in other non-financial liabilities	395.29	(527.49)
	Decrease / (increase) in trade receivables	(97.91)	33,829.86
	Decrease / (increase) in loans and advances	8,373.99	(66,301.46)
	Decrease / (increase) in stock in trade	(58,626.02)	(32,996.37)
	Decrease / (increase) in other non financial assets	(1,070.44)	(1,290.02)
	Decrease / (increase) in other financial assets	23,744.25	(6,903.44)
	Decrease / (increase) in Bank Balance other than Cash and cash equivalents	(55,374.30)	(74,111.85)
	Decrease / (increase) in Derivative financial position	4.03	147.88
	Income tax paid (Net of refund)	(24,100.36)	(23,222.98)
	Net cash generated from / (used in) operating activities (A)	**73,790.09**	**(114,132.79)**
(B)	**Cash flow from investing activities:**		
	Purchase of Property plant and equipments	(2,425.93)	(2,222.25)
	Sale of Property plant and equipments	171.63	124.37
	Sale of Investment	3,398,678.86	3,068,082.26
	Purchase of Investments	(3,399,756.87)	(3,077,513.65)
	Interest received	6,722.42	6,008.53
	Dividend on investments	595.06	632.54
	Rental Income from Investment Property	1,005.01	945.89
	Net cash used in investing activities (B)	**4,990.18**	**(3,942.31)**

Statement of Cash Flow

for the year ended 31st March, 2019

(₹ in lakhs)

Particulars		For the year ended March 31st, 2019	For the year ended March 31st, 2018
(C)	**Cash flow from financing activities:**		
	Proceeds from Commercial Paper (debt securities)	645,080.78	577,111.35
	Repayments of Commercial Paper (debt securities)	(731,934.31)	(460,000.00)
	Finance Costs	(171.92)	(79.21)
	Net cash (used in) / generated from financing activities (C)	**(87,025.45)**	**117,032.14**
	Net decrease in Cash and cash equivalents (A)+(B)+(C)	(8,245.18)	(1,042.96)
	Cash and cash equivalents at the beginning of the year	10,259.10	11,302.06
	Cash and cash equivalents at the end of the year	2,013.92	10,259.10

Notes:

1. Changes in liabilities arising from financing activities

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Opening balance	212,836.78	86,677.44
Borrowing taken during the year	645,080.78	577,111.35
Amortisation of interest and other charges on borrowings	10,307.43	9,047.99
Repayments during the year	(731,934.31)	(460,000.00)
Closing balance	**136,290.68**	**212,836.78**

2. The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS -7 "Statement of Cash flows".

3. Non- cash financing activity -

   ESOP from parent of ₹ 1,585.44 lakhs for year ended 31 March 2019 (previous year - ₹ 803.24 lakhs)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

R. Laxminarayan
Partner

Narayan.S.A
Chairman

Kamlesh Rao
Managing Director

Ravi Iyer
Managing Director

Shripal Shah
Senior Executive
Vice President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 07th June, 2019

Place : Mumbai
Date : 30th May, 2019

Statement of Changes of Equity

for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

Particulars	Amount
Balance as at 1-April-2017	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2018	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2019	160.00

B. OTHER EQUITY

(Amount in Lakhs)

Particulars	Reserves and Surplus			Capital contribution from holding company	Debt instruments through Other comprehensive income	Total
	General Reserve	Securities premium	Retained earnings			
Balance as on 1-April-2017	17,281.94	2,350.35	285,191.12	765.46	2,484.89	308,073.76
Profit for the year	-	-	49,858.83	-	-	49,858.83
Other comprehensive income for the year			(76.54)		(810.44)	(886.98)
Total comprehensive income	**-**	**-**	**49,782.29**	**-**	**(810.44)**	**48,971.85**
Employee stock option	-	-	-	803.24	-	803.24
Balance as on 31-March-2018	**17,281.94**	**2,350.35**	**334,973.41**	**1,568.70**	**1,674.45**	**357,848.85**
Profit for the year	-	-	40,759.57	-	-	40,759.57
Other comprehensive income for the year	-	-	(74.81)	-	(409.46)	(484.27)
Total comprehensive income	**-**	**-**	**40,684.76**	**-**	**(409.46)**	**40,275.30**
Employee stock option	-	-	-	1,585.44	-	1,585.44
Balance as on 31-March-2019	**17,281.94**	**2,350.35**	**375,658.17**	**3,154.14**	**1,264.99**	**399,709.59**
(Refer note no. 21)						

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 07th June, 2019

For and on behalf of the Board of Directors

Narayan.S.A
Chairman

Kamlesh Rao
Managing Director

Ravi Iyer
Managing Director

Shripal Shah
Senior Executive
Vice President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 30th May, 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

1.1 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, commodity 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), National Commodity & Derivatives Exchange Limited (NCDEX), Multi Commodity Exchange of India Ltd (MCX) 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.

1.2 Basis of Preparation and presentation

A. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in lnd AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the comparative previous year has been restated / reclassified.

The standalone financial statements have been prepared on a historical cost basis except for

- certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments);
- Net defined benefit (assets) / liability – Plan assets are measured at fair value less present value of defined benefit obligation and
- Share-based payments - measured at fair value.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2017 being the 'date of transition to Ind AS. These standalone financial statements were authorized for issue by the Company's Board of Director on 30 May 2019.

B. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Use of estimates and judgements

The preparation of financial statements to be in conformity with the Ind AS 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. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Revenue

Recognition of revenue over time or at a point in time:

The Company recognises revenue from brokerage income at a point in time because performance obligation is completed once the service is provided by the Company.

The Company recognises revenue from fees over time because the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

Schedules forming part of Balance Sheet and Profit and Loss Account

II. Determination of estimated useful lives of property, plant and equipment, Intangible assets and Investment property

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Refer Note 12.

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 38.

IV. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

V. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

VI. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

VII. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Company initially measures the cost of cash-settled transactions with employees using a Black-Scholes model. Key assumptions made include expected volatility of includes share price, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the standalone statement of profit and loss. This requires a reassessment of the estimates used at the end of each reporting period.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

VIII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 40.

IX. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

X. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

XI. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

XII. Lease classification: Company as a lessor

The Company has given office premises under lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

1.3 Significant accounting policies

A. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less.

B. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Schedules forming part of Balance Sheet and Profit and Loss Account

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in standalone statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in standalone statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Deprecation 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. Estimated useful lives of assets based on technical evaluation by management are as follows:

Lease hold 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

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

C. Investment Property

Investment Property are property held to earn rentals and for capital appreciation. Investment Property are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An Investment property is derecognised upon disposal or when the investment property are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which property is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of its investment property recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

D. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. 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.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

The intangible assets are amortized over the estimated useful lives as given below:

Software	3 years

E. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the standalone statement of profit and loss, to the extent the amount was previously charged to the standalone statement of profit and loss. In case of revalued assets, such reversal is not recognized.

F. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

i. Brokerage Income (net of indirect taxes) recognized:

   a) On primary market subscription / mobilisation is accounted on allotment after intimation is received by the Company.

   b) On secondary market - income is recognised upon completion of brokerage services to its customers

   Brokerage income is recognized at a point in time based on above timing

ii. Placement and other fee based income are accounted for on the basis of the progress of the assignment

iii. Fee income mainly includes depository fees and other charges recovered towards value added services provided to the clients. These are recognized on accrual basis as per the terms and conditions agreed with the client. Other charges recovered from secondary broking customers are recognized upon completion of services.

iv. Company also distributes Life Insurance products and Mutual fund schemes for which it receives commission income. In case the client discontinues the policy or redeems the mutual funds units within the stipulated time, Company is liable to repay the commission.

Schedules forming part of Balance Sheet and Profit and Loss Account

v. Portfolio management fees are recognized on accrual basis as follows:

a) In case of 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 each anniversary date specified in the portfolio agreement.

c) In case of upfront non-refundable fees, income is accounted over a period of time.

Interest income
Interest income on financial assets is recognized on an accrual basis using effective interest rate (EIR). Interest revenue is continued to be recognized at the original effective interest rate.

Dividend income
Dividend income is recognised in standalone statement of profit and loss when the right to receive the dividend is established.

G. Accounting for Operating Leases:

As Lessee
Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Payments made under operating leases are generally recognised in standalone statement of profit and loss on a straight line basis linked with inflation over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases.

As Lessor
Lease income is recognised in the standalone statement of profit and loss on a straight-line basis over the lease term.

H. 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 Trade Payables

(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 standalone statement of profit and loss.

(c) The Lending and Borrowing fees are recognised on Pro- rata basis over the tenure of the contract.

I. Employee benefits

Defined Contribution Plan –

i) Provident fund - Contribution as required by the Statute made to the Government Provident Fund is debited to the standalone 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.

Defined Benefit Plan

Gratuity
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. Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in standalone statement of profit and loss.

Other Long-term Employee Benefits

Compensated Absences

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 Sheet date. Actuarial gains or losses are recognised in the standalone statement of profit and loss in the year in which they arise.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

J. Share based payments

i. Employees Stock Options Plans ("ESOPs") - Equity settled

The holding company (Kotak Mahindra Bank Limited) of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding increase in reserves, representing contribution received from the holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

ii. Stock Appreciation Rights (SAR's) -Cash-settled transactions:

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in profit or loss.

K. Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current 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. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary 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.

Schedules forming part of Balance Sheet and Profit and Loss Account

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary 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 standalone 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 a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

L. Basic and Diluted Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

M. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement / document.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

- The risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- reset terms
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Subsequent Measurement

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the profit and loss account. The losses if any, arising from impairment are recognised in the profit and loss account.

Financial asset at fair value through Other Comprehensive Income (FVOCI)
Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognized through profit and loss account. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss

Financial asset at fair value through profit and loss (FVTPL)
Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss account.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL

Financial liabilities
All financial liabilities are subsequently measured at amortised cost.

Financial Liabilities at fair value through profit or loss (FVTPL)
A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in standalone statement of profit and loss.

Schedules forming part of Balance Sheet and Profit and Loss Account

N. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as investment in debentures and bonds, trade receivables, employee loans, margin funding loans, security deposits given, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

The Company applies a simplified approach for trade receivables. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on Lifetime ECLs at each reporting date.

- Financial assets that are credit impaired at the reporting date:

  ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

  If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset

- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL**

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (not credit impaired):**

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

  For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Lifetime ECL (credit impaired):**

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Method used to compute lifetime ECL:
The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive.

Manner in which forward looking assumptions has been incorporated in ECL estimates:
The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

O. Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the standalone statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

P. Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset
- The Company has transferred substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in standalone statement of profit and loss.

Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets
If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original

Schedules forming part of Balance Sheet and Profit and Loss Account

effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account.

Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income or other gain or loss as appropriate.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in standalone statement of profit and loss.

Q. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

R. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in standalone statement of profit and loss immediately.

S. BORROWING COST

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

T. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as investment in unquoted equity instruments, debentures, preference shares etc.

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

U. Provisions, Contingent liabilities and 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 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.

V. Cash Flow Statement

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

W. 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 standalone 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. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

X. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Y. Optional exemptions and Mandatory exemptions under Ind AS 101, First time adoption of Indian Accounting standard (IND AS):

Optional exemptions

1. Deemed cost

   The Company has elected to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost at the date of transition.

2. Shared Based Payments

   The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

3. Investments in subsidiaries, jointly controlled entities and associates in separate financial statements

   The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Mandatory exceptions

1. Estimates

   The estimates at April 1, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

   - Fair valuation of financial instruments at FVTPL and / or FVOCI
   - Impairment of financial assets based on expected credit loss model

Schedules forming part of Balance Sheet and Profit and Loss Account

2. Derecognition of financial assets and liabilities

   Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

   The company has classified financial assets based on the facts and circumstances that existed at the date of transition to Ind AS.

1.4 Standard issued but not effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs ('MCA') on 30th March, 2019) which are effective for annual periods beginning after 1st April, 2019. The Company intends to adopt these standards or amendments from the effective date.

Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

1.5 Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

i. Amendment to Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments- The Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

ii. Amendments to Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

iii. Amendments to Ind AS 19 Employee Benefits

This amendment requires:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in standalone statement of profit and loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

iv. Amendments to Ind AS 109 Financial Instruments: Prepayment features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 2 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(a) Cash on hand	0.16	0.20	10.63
(b) Balances with banks			
(i) In Current Account	2,014.15	260.07	11,291.43
(ii) In Fixed Deposits with bank having maturity less than 3 months	-	10,001.83	-
Sub total	**2,014.31**	**10,262.10**	**11,302.06**
Less: Impairment loss allowance	(0.39)	(3.00)	-
Total	2,013.92	10,259.10	11,302.06

NOTE 3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Fixed deposit with bank (Refer Note below)	343,858.94	288,484.64	214,372.79
Sub total	**343,858.94**	**288,484.64**	**214,372.79**
Less: Impairment loss allowance	(114.58)	(84.54)	(76.66)
Total	**343,744.36**	**288,400.10**	**214,296.13**
Note:			
Fixed Deposit with bank includes deposits under the lien of :-			
National Securities Clearing Corporation Limited	232,886.68	234,347.87	153,072.66
Indian Clearing Corporation Limited	36,843.62	35,858.85	16,414.71
Metropolitan Stock Exchange of India Limited	-	853.36	50.00
National Stock Exchange Limited	237.00	62.21	25.00
Bombay Stock Exchange Limited	20.50	58.79	58.75
National Commodity Exchange Limited	15,525.18	-	-
Multi Commodity Exchange of India Limited	29,732.79	-	-
Bank for guarantees issued	15,000.00	7,763.19	5,000.00
	330,245.77	**278,944.27**	**174,621.12**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 4 DERIVATIVE FINANCIAL INSTRUMENTS:

(₹ in lakhs)

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I									
(i) Currency derivatives:									
Options purchased	-	-	-	10,085.54	14.37	-	1,472.92	2.25	-
Options sold (written)	-	-	-	6,389.53	-	24.39	1,651.59	-	8.30
Sub total (i)	-	-	-	16,475.07	14.37	24.39	3,124.51	2.25	8.30
(ii) Equity linked derivatives	108,340.67	224.39	352.27	225,053.45	392.63	506.46	119,007.74	269.15	239.07
Total Derivative financial instruments (i+ii)	**108,340.67**	**224.39**	**352.27**	**241,528.52**	**407.00**	**530.85**	**122,132.25**	**271.40**	**247.37**
Part II									
(i) Undesignated derivatives	108,340.67	224.39	352.27	241,528.52	407.00	530.85	122,132.25	271.40	247.37
Total derivative financial instruments	**108,340.67**	**224.39**	**352.27**	**241,528.52**	**407.00**	**530.85**	**122,132.25**	**271.40**	**247.37**

NOTE 5 RECEIVABLES :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Trade receivables:			
Secured, considered good	170,170.96	171,949.77	206,066.81
Unsecured, considered good	1,484.13	861.77	1,224.46
Sub total	**171,655.09**	**172,811.54**	**207,291.27**
Less: Impairment loss allowance	(2,356.43)	(2,163.86)	(2,628.15)
Total	**169,298.66**	**170,647.68**	**204,663.12**
Out of which:			
Due from Directors	-	-	35.53
maximum amount outstanding during the year from Directors	9.92	40.96	127.20
Due from a Private Limited Company in which a Director of the Company is a Director	0.57	0.63	-

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 6 LOANS

(₹ in lakhs)

	Particulars	As at 31-Mar-19					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)	(i) Employee Loans	112.62	-	-	-	-	112.62
	(ii) Receivable from clients-Margin funding	58,216.41	-	-	-	-	58,216.41
	Total Gross (A)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (A)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(B)	(i) Secured by Securities /Shares	58,216.41	-	-	-	-	58,216.41
	(ii) Unsecured	112.62	-	-	-	-	112.62
	Total Gross (B)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (B)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(C) (i)	**Loans in India**						
	Employee Loan and Margin Funding	58,329.03	-	-	-	-	58,329.03
	Total Gross (C) (i)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (C) (i)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(C)(ii)	**Loans outside India**						
	Less: Impairment allowance	-	-	-	-	-	-
	Total Net (C) (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (C) (i+ii)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**

(₹ in lakhs)

	Particulars	As at 31-Mar-18					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)	(i) Employee Loans	97.80	-	-	-	-	97.80
	(ii) Receivable from clients-Margin funding	66,647.37	-	-	-	-	66,647.37
	Total Gross (A)	**66,745.17**	**-**	**-**	**-**	**-**	**66,745.17**
	Less: Impairment loss allowance	(182.40)	-	-	-		(182.40)
	Total Net (A)	**66,562.77**	**-**	**-**	**-**	**-**	**66,562.77**
(B)	(i) Secured by Securities /Shares	66,647.37	-	-	-	-	66,647.37
	(ii) Unsecured	97.80	-	-	-	-	97.80
	Total Gross (B)	**66,745.17**	**-**	**-**	**-**	**-**	**66,745.17**
	Less: Impairment loss allowance	(182.40)	-	-	-	-	(182.40)

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

	Particulars	As at 31-Mar-18					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
	Total Net (B)	**66,562.77**	**-**	**-**	**-**	**-**	**66,562.77**
(C)(i)	**Loans in India**						
	Employee Loan and Margin Funding	66,745.17	-	-	-	-	66,745.17
	Total Gross (C) (i)	**66,745.17**	**-**	**-**	**-**	**-**	**66,745.17**
	Less: Impairment loss allowance	(182.40)	-	-	-		(182.40)
	Total Net (C) (i)	**66,562.77**	**-**	**-**	**-**	**-**	**66,562.77**
(C)(ii)	**Loans outside India**						
	Less: Impairment allowance	-				-	-
	Total Net (C) (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (C) (i) and (ii)	**66,562.77**	**-**	**-**	**-**	**-**	**66,562.77**

(₹ in lakhs)

	Particulars	As at 1-Apr-17					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)	(i) Employee Loans	110.48	-	-	-	-	110.48
	(ii) Receivable from clients- Margin funding	-	-	-	-	-	-
	Total Gross (A)	**110.48**	**-**	**-**	**-**	**-**	**110.48**
	Less: Impairment loss allowance	(0.72)	-	-	-		(0.72)
	Total Net (A)	**109.76**	**-**	**-**	**-**	**-**	**109.76**
(B)	(i) Secured by Securities /Shares	-	-	-	-	-	-
	(ii) Unsecured	110.48	-	-	-	-	110.48
	Total Gross (B)	**110.48**	**-**	**-**	**-**	**-**	**110.48**
	Less: Impairment loss allowance	(0.72)					(0.72)
	Total Net (B)	**109.76**	**-**	**-**	**-**	**-**	**109.76**
(C) (i)	**Loans in India**						
	Employee Loan	110.48	-	-	-	-	110.48
	Total Gross (C) (i)	**110.48**	**-**	**-**	**-**	**-**	**110.48**
	Less: Impairment loss allowance	(0.72)	-	-	-	-	(0.72)
	Total Net (C) (i)	**109.76**	**-**	**-**	**-**	**-**	**109.76**
(C)(ii)	**Loans outside India**						
	Less: Impairment allowance	-	-	-	-	-	-
	Total Net (C) (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (C) (i) and (ii)	**109.76**	**-**	**-**	**-**	**-**	**109.76**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 7 INVESTMENTS

(₹ in lakhs)

	Particulars	As at 31-Mar-19					
		At Fair Value					
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Sub total	Cost	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(A)	Mutual funds	-	-	25,063.13	25,063.13	-	25,063.13
	Venture funds		-	193.30	193.30	-	193.30
	Debt securities	7,500.00	78,325.87	-	78,325.87	-	85,825.87
	Equity instruments*			109,619.27	109,619.27	-	109,619.27
	Subsidiaries		-	-	-	585.57	585.57
	Associates		-	-	-	36,380.69	36,380.69
	Preference shares		-	779.90	779.90		779.90
	Total Gross (A)	**7,500.00**	**78,325.87**	**135,655.60**	**213,981.47**	**36,966.26**	**258,447.73**
	Less: Impairment allowance	(2.52)					(2.52)
	Total Net	**7,497.48**	**78,325.87**	**135,655.60**	**213,981.47**	**36,966.26**	**258,445.21**
(B)	(i) Investments outside India	-	-	-	-	585.57	585.57
	(ii) Investments in India	7,500.00	78,325.87	135,655.60	213,981.47	36,380.69	257,862.16
	Total (B)	**7,500.00**	**78,325.87**	**135,655.60**	**213,981.47**	**36,966.26**	**258,447.73**
	Less: Impairment allowance	(2.52)	-	-	-	-	(2.52)
	Total Net	**7,497.48**	**78,325.87**	**135,655.60**	**213,981.47**	**36,966.26**	**258,445.21**

* Includes stock in trade of ₹ 107,305.39 Lakhs

(₹ in lakhs)

	Particulars	As at 31-Mar-18					
		At Fair Value					
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Sub total	Cost	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(A)	Mutual funds		-	19,808.40	19,808.40	-	19,808.40
	Venture funds		-	237.14	237.14	-	237.14
	Debt securities	-	78,909.42	-	78,909.42		78,909.42
	Equity instruments*			57,728.16	57,728.16		57,728.16
	Subsidiaries		-	-	-	585.57	585.57
	Associates		-	-	-	36,380.69	36,380.69
	Preference shares		-	786.09	786.09		786.09
	Total Gross (A)	**-**	**78,909.42**	**78,559.79**	**157,469.21**	**36,966.26**	**194,435.47**
(B)	(i) Investments outside India	-	-	-	-	585.57	585.57
	(ii) Investments in India	-	78,909.42	78,559.79	157,469.21	36,380.69	193,849.90
	Total (B)	**-**	**78,909.42**	**78,559.79**	**157,469.21**	**36,966.26**	**194,435.47**

* Includes stock in trade of ₹ 48,445.11 Lakhs

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

	Particulars	As at 1-Apr-17					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Sub total	Cost	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(A)	Mutual funds	-	-	18,136.87	18,136.87	-	18,136.87
	Venture funds	-	-	343.32	343.32	-	343.32
	Debt securities	-	75,931.91	-	75,931.91	-	75,931.91
	Equity instruments*	-	-	16,734.45	16,734.45	-	16,734.45
	Subsidiaries	-	-	-	-	585.57	585.57
	Associates	-	-	-	-	36,380.69	36,380.69
	Preference shares	-	-	1,724.67	1,724.67	-	1,724.67
	Total Gross (A)	**-**	**75,931.91**	**36,939.31**	**112,871.22**	**36,966.26**	**149,837.48**
(B)	(i) Investments outside India		-	-	-	585.57	585.57
	(ii) Investments in India	-	75,931.91	36,939.31	112,871.22	36,380.69	149,251.91
	Total (B)	**-**	**75,931.91**	**36,939.31**	**112,871.22**	**36,966.26**	**149,837.48**

* Includes stock in trade of ₹ 15,448.74 Lakhs

Bifurcation of Investment

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Quoted	209,656.32	146,326.65	108,925.50
Unquoted	46,958.83	46,289.47	39,049.06
Total	**256,615.15**	**192,616.12**	**147,974.56**
Market Value of Pledged Securities	56,848.26	37,937.47	14,493.82

Investments in Subsidiary and Associates:

(₹ in lakhs)

Particulars	Face Value ₹	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
(i) Investment in Equity Instruments							
(a) Investment in Subsidiary (Unquoted, fully paid-up)							
Kotak Mahindra Financial Services Limited	USD 1	1,239,000	585.57	1,239,000	585.57	1,239,000	585.57
(incorporated in Dubai, U.A.E.)							
(b) Investment in Associates (Unquoted, fully paid-up)							
Kotak Infrastructure Debt Fund Limited	10	93,000,000	9,300.00	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	1,712,600	27,080.69

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Face Value ₹	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
(ii) Investment in Debentures							
Investment in Associates (Quoted, fully paid-up)							
10.50%, Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd April, 2021)	1,000,000	1,500	15,411.22	1,500	15,433.94	1,500	15,723.39
11.00%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd September, 2021)	1,000,000	500	5,165.80	500	5,261.61	500	5,349.61
11.25%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 28th September, 2021)	1,000,000	400	4,135.01	400	4,205.95	400	4,275.98
10.40% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd September, 2022)	1,000,000	250	2,611.26	250	2,687.42	250	2,722.46
10.50% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 22nd Jun, 2023)	1,000,000	400	4,168.13	400	4,297.56	400	4,407.48
8.25% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 07th Dec, 2027)	1,000,000	1,000	10,004.78	1,000	9,705.09	-	-
9.50%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 30th August, 2017)	1,000,000	-	-	-	-	500	5,046.17

As per the requirement of sec 186(4) of the Companies Act 2013, below are the details of Investment in group companies

For the year 2018-19

₹ in Lakhs

Particulars	Date of Investment	Maturity date	Qty	Face vale (₹)	Amount
10% Secured Redemable Non Convertible Debentures of Phoenix ARC Private Limited	29-03-2019	28-04-2020	75	10,000,000	7,500

For the year 2017-18

₹ in Lakhs

Particulars	Date of Investment	Maturity date	Qty	Face vale (₹)	Amount
8.25% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited	07-12-2017	07-12-2027	1,000	1,000,000	10,000

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 8 OTHER FINANCIAL ASSETS :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deposits	1,240.37	1,122.01	1,054.90
Accrued Dividend on Preference Shares	-	-	72.25
Fixed deposit with bank having original maturity of more than 12 months (Refer Note below)	47.43	23,954.19	17,200.88
Sub total	1,287.80	25,076.20	18,328.03
Less: Impairment loss allowance	(2.64)	(10.38)	(8.28)
Total	**1,285.16**	**25,065.82**	**18,319.75**
Note:			
Fixed Deposit with bank includes deposits under the lien of :-			
National Securities Clearing Corporation Limited	-	21,106.81	9,929.45
Indian Clearing Corporation Limited	10.46	1,000.00	3,521.82
Metropolitan Stock Exchange of India Limited	-	25.00	1,061.15
UIDAI	25.00	25.00	-
National Stock Exchange of India Limited	11.82	28.00	75.00
	47.28	**22,184.81**	**14,587.42**

NOTE 9 CURRENT TAX ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Current tax assets			
Advance Income Tax {Net of Provision for 2019 ₹ 51,416.60 Lakhs (for 2018 ₹ 28,010.27 Lakhs and for 2017 ₹ 33,486.57 Lakhs) }	1,369.01	1,138.41	4,090.94
	1,369.01	**1,138.41**	**4,090.94**
Current tax liabilities			
Income tax payable {Net of Advance Tax for 2019 ₹ 60,996.33 Lakhs (for 2018 ₹ 60,535.48 Lakhs and for 2017 ₹ 40,394.93 Lakhs)}	1,584.17	2,259.33	2,215.59
Net tax Assets / (liabilities)	**(215.16)**	**(1,120.92)**	**1,875.35**

NOTE: 10 DEFERRED TAX ASSETS AND LIABILITIES

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred tax assets	1,841.77	1,063.07	1,522.47
Deferred tax liabilities	(1,228.95)	(1,326.64)	(2,236.98)
Net deferred Tax Assets/(Liabilities)*	**612.82**	**(263.57)**	**(714.51)**

* Refer note no.34 for details of deferred tax assets and liabilities.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 11 INVESTMENT PROPERTY

A. Reconciliation of carrying amount

(₹ in lakhs)

Particulars	Amount
Cost or Deemed cost (Gross carrying amount)	
As at 1 April 2017	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2018	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2019	2,278.45
Accumulated depreciation	
As at 1 April 2017	-
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2018	45.29
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2019	90.58
Carrying amounts	
As at 1 April 2017	2,278.45
As at 31 March 2018	2,233.16
As at 31 March 2019	2,187.87
Fair value	
As at 1 April 2017	7,214.70
As at 31 March 2018	7,695.70
As at 31 March 2019	8,176.70

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external valuer. The fair value measurement for the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique.

ii. Valuation technique

For the purpose of valuation, the primary valuation methodology used is Income Capitalisation Approach. Income capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate market-based yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Amounts recognised in profit or loss for investment property:

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Rental income derived from investment property	1,005.01	945.89
Direct operating expenses of investment property	(35.81)	(35.81)
Income arising from investment properties before depreciation	969.20	910.08
Depreciation	(45.29)	(45.29)
Income arising from investment property (Net)	923.91	864.79

D. Premises given on operating lease:

The Company has given investment property on operating lease. The lease arrangement is for a period of 12 months and is a cancellable lease. The lease is renewable for further periods on mutually agreeable terms.

NOTE: 12 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Buildings (a)	Furniture and fixtures	Vehicles	Office equipment	Computers	Improvements To Leasehold Premises	Total
Cost or deemed cost as on 1-April-2017	**2,281.24**	**9.57**	**858.90**	**418.55**	**1,188.60**	**350.78**	**5,107.64**
Additions during the year	-	50.17	495.24	357.98	1,043.05	237.12	2,183.56
Disposals during the year	-	(1.45)	(88.59)	(14.11)	(3.29)	(2.84)	(110.28)
Balance as at 31-March-2018	**2,281.24**	**58.29**	**1,265.55**	**762.42**	**2,228.36**	**585.06**	**7,180.92**
Accumulated depreciation and impairment as on 1-April-2017	-	-	-	-	-	-	-
Depreciation for the year	45.36	41.77	396.94	174.95	925.23	164.40	1,748.65
Disposals during the year		(0.10)	(12.41)	(5.08)	(3.35)	(2.13)	(23.07)
Accumulated depreciation and impairment as on 31-March-2018	**45.36**	**41.67**	**384.53**	**169.87**	**921.88**	**162.27**	**1,725.58**
Net carrying amount as on 31-March-2018	**2,235.88**	**16.62**	**881.02**	**592.55**	**1,306.48**	**422.79**	**5,455.34**
Balance as at 31-March-2018	**2,281.24**	**58.29**	**1,265.55**	**762.42**	**2,228.36**	**585.06**	**7,180.92**
Additions during the year		64.64	448.94	167.38	1,048.25	298.55	2,027.76
Disposals during the year		(1.33)	(47.26)	(33.10)	(81.99)	(1.90)	(165.58)
Balance as at 31-March-2019	**2,281.24**	**121.60**	**1,667.23**	**896.70**	**3,194.62**	**881.71**	**9,043.10**
Accumulated depreciation and impairment as on 31-March-2018	**45.36**	**41.67**	**384.53**	**169.87**	**921.88**	**162.27**	**1,725.58**
Depreciation for the year	45.32	63.40	416.67	203.57	813.50	170.09	1,712.55
Disposals during the year		(0.74)	(16.40)	(11.70)	(15.57)	(0.45)	(44.86)
Accumulated depreciation and impairment as on 31-March-2019	**90.68**	**104.33**	**784.80**	**361.74**	**1,719.81**	**331.91**	**3,393.27**
Net carrying amount as on 31-March-2019	**2,190.56**	**17.27**	**882.43**	**534.96**	**1,474.81**	**549.80**	**5,649.83**

a. 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 aggregating to ₹ 929.77 Lakhs (Previous Year ₹ 929.77 Lakhs) and the written down value of the assets as on 31st March,2019 is ₹ 891.73 (Previous year ₹ 910.18 Lakhs)

b. The Company has availed the deemed cost exemption as per IND AS 101 in relation to the property, plant and equipement as on the date of transition (1 April 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

(₹ in Lakhs)

Particulars	Buildings (a)	Furniture and fixtures	Vehicles	Office equipment	Computers	Improvements To Leasehold Premises	Total
Gross Block	2,637.24	199.42	1,542.72	2,242.40	8,310.78	1,577.81	16,510.37
Accumulated Depreciation	(356.00)	(189.85)	(683.82)	(1,823.85)	(7,122.18)	(1,227.03)	(11,402.73)
Deemed Cost as on 01st April 2017	**2,281.24**	**9.57**	**858.90**	**418.55**	**1,188.60**	**350.78**	**5,107.64**

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for tangible assets

NOTE: 13 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Total
Cost or deemed cost as on 1-April-2017	**748.21**	**748.21**
Additions during the year	620.87	620.87
Disposals during the year	-	-
Balance as at 31-March-2018	**1,369.08**	**1,369.08**
Accumulated depreciation and impairment as on 1-April-2017	**-**	**-**
Depreciation for the year	542.23	542.23
Disposals during the year	-	-
Accumulated depreciation and impairment as on 31-March-2018	**542.23**	**542.23**
Net carrying amount as on 31-March-2018	**826.85**	**826.85**
Balance as at 31-March-2018	**1,369.08**	**1,369.08**
Additions during the year	161.34	161.34
Disposals during the year	(175.21)	(175.21)
Balance as at 31-March-2019	**1,355.21**	**1,355.21**
Accumulated depreciation and impairment as on 31-March-2018	**542.23**	**542.23**
Depreciation for the year	507.93	507.93
Disposals during the year	(175.21)	(175.21)
Accumulated depreciation and impairment as on 31-March-2019	**874.95**	**874.95**
Net carrying amount as on 31-March-2019	**480.26**	**480.26**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to the intangible assets as on the date of transition (1 April

Schedules forming part of Balance Sheet and Profit and Loss Account

2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

(₹ in lakhs)

Particulars	Software	Total
Gross Block	3,101.25	3,101.25
Accumulated Depreciation	(2,353.04)	(2,353.04)
Deemed Cost as on 01st April 2017	**748.21**	**748.21**

Impairment loss and reversal of impairment loss
There is no impairment loss recognised for intangible assets

NOTE 14 OTHER NON FINANCIAL ASSETS :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Capital advances	213.71	88.96	457.20
Advance Receivable in cash or kind	123.90	121.64	65.31
Advance to suppliers	1.78	21.39	45.36
Employee Advance	13.35	16.88	7.42
Prepaid expenses	1,309.43	984.58	943.55
Balances with government authority	2,744.09	1,887.39	558.23
Total	**4,406.26**	**3,120.84**	**2,077.07**

NOTE 15 PAYABLES :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises (refer note: 47)	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	296,472.46	176,321.40	204,775.68
Total	**296,472.46**	**176,321.40**	**204,775.68**

NOTE: 16 DEBT SECURITIES

(₹ in lakhs)

Particulars	As at 31-Mar-19			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
Commercial Paper	136,290.68	-	-	136,290.68
Total (A)	**136,290.68**	**-**	**-**	**136,290.68**
Debt securities in India	136,290.68	-	-	136,290.68
Debt securities outside India	-	-	-	-
Total (B)	**136,290.68**	**-**	**-**	**136,290.68**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at 31-Mar-18			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
Commercial Paper	212,836.78	-	-	212,836.78
Total (A)	**212,836.78**	**-**	**-**	**212,836.78**
Debt securities in India	212,836.78	-	-	212,836.78
Debt securities outside India	-	-	-	-
Total (B)	**212,836.78**	**-**	**-**	**212,836.78**

(₹ in lakhs)

Particulars	As at 1-Apr-17			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
Commercial Paper	86,677.44	-	-	86,677.44
Total (A)	**86,677.44**	**-**	**-**	**86,677.44**
Debt securities in India	86,677.44	-	-	86,677.44
Debt securities outside India	-	-	-	-
Total (B)	**86,677.44**	**-**	**-**	**86,677.44**

Note:

As at 31-Mar-2019

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	136,290.68	30 days to 273 days	6.85% to 8.55%	Face value of ₹ 215,000 Lakhs	At Maturity

As at 31-Mar-2018

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	212,836.78	32 days to 273 days	6.55% to 8.10%	Face value of ₹ 255,000 Lakhs	At Maturity

As at 01-Apr-2017

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	86,677.44	7 days to 91 days	6.65% to 8.25%	Face value of ₹ 295,000 Lakhs	At Maturity

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 17 OTHER FINANCIAL LIABILITIES :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Franchisee Deposits	1,633.40	1,584.40	1,450.49
Other Deposits	1,026.18	760.50	339.57
Book Overdraft	-	1,665.63	-
Advance received for sale of Investments	887.86	4,676.63	-
Employee Benefits Payable	3,750.70	4,314.35	3,422.02
Payable for Fixed Assets	139.33	251.34	37.47
Total	**7,437.47**	**13,252.85**	**5,249.55**

NOTE 18 PROVISIONS :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for Compensated Absences	1,272.66	1,214.67	991.13
Provision for Long Service Awards	158.85	134.42	150.11
Provision for gratuity (Refer Note: 38)	421.39	599.63	133.78
Provision for stock appreciation rights (Refer Note: 39)	1,660.97	1,244.98	1,022.43
Provision for Contingencies	-	-	320.00
Total	**3,513.87**	**3,193.70**	**2,617.45**

NOTE 19 OTHER NON-FINANCIAL LIABILITIES :

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Revenue received in advance	555.24	225.27	149.63
Statutory Dues Payable (including PF, Stamp duty, TDS)	1,775.56	1,659.94	2,221.02
Total	**2,330.80**	**1,885.21**	**2,370.65**

NOTE 20 EQUITY SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
a) Authorised						
Equity Shares of ₹ 10 each	6,000,000	600.00	6,000,000	600.00	6,000,000	600.00
Preference Shares of ₹ 100 each	1,000,000	1,000.00	1,000,000	1,000.00	1,000,000	1,000.00
		1,600.00		1,600.00		1,600.00
b) Issued, Subscribed and Paid Up						
Equity Shares of ₹ 10 each fully paid up	1,600,000	160.00	1,600,000	160.00	1,600,000	160.00

c) Reconciliation of number of shares outstanding at the beginning and end of the year : (₹ in Lakhs)

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares outstanding at the beginning of the year	1,600,000	160.00	1,600,000	160.00	1,600,000	160.00
Equity Shares outstanding at the end of the year	1,600,000	160.00	1,600,000	160.00	1,600,000	160.00

d) Rights, preferences and restrictions attached to equity shares :

(i) Right to receive dividend as may be approved by the Board / Annual General Meeting.

(ii) 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.

(iii) 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

e) Equity shares held by the holding company and its subsidiaries (₹ in Lakhs)

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Kotak Mahindra Bank Limited (Jointly with nominees), Holding Company	1,199,990	120.00	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	400,010	40.00
Total	**1,600,000**	**160.00**	**1,600,000**	**160.00**	**1,600,000**	**160.00**

f) Details of shares held by each shareholder holding more than 5% shares in the company (₹ in Lakhs)

Name of Shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No of Shares	% of holding	No of Shares	% of holding	No of Shares	% of holding
Kotak Mahindra Bank Limited and its nominees	1,199,990	75.00%	1,199,990	75.00%	1,199,990	75.00%
Kotak Mahindra Capital Company Limited	400,010	25.00%	400,010	25.00%	400,010	25.00%
Total	**1,600,000**	**100%**	**1,600,000**	**100%**	**1,600,000**	**100%**

g) Matters relating to the company's objective, policies and processes for managing capital are disclosed under note No. 41

NOTE 21 OTHER EQUITY

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Retained earnings	375,658.17	334,973.41	285,191.12
Securities Premium	2,350.35	2,350.35	2,350.35
General Reserve	17,281.94	17,281.94	17,281.94
Capital Contribution from holding company	3,154.14	1,568.70	765.46
Other Comprehensive Income	1,264.99	1,674.45	2,484.89
Total	**399,709.59**	**357,848.85**	**308,073.76**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 21.1 OTHER EQUITY MOVEMENT

Retained Earnings

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance at beginning of the year	334,973.41	285,191.12
Profit for the year	40,759.57	49,858.83
Remeasurement of Defined benefit plan (net of Tax)	(74.81)	(76.54)
Balance at end of the year	**375,658.17**	**334,973.41**

Securities Premium

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance at beginning of the year	2,350.35	2,350.35
Balance at end of the year	**2,350.35**	**2,350.35**

General Reserve

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance at beginning of the year	17,281.94	17,281.94
Balance at end of the year	**17,281.94**	**17,281.94**

Capital Contribution from holding company

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance at beginning of the year	1,568.70	765.46
Addition during the year	1,585.44	803.24
Balance at end of the year	**3,154.14**	**1,568.70**

Other Comprehensive Income

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Net fair value gain / (loss) Debt instruments through OCI		
Balance at beginning of the year	1,674.45	2,484.89
Movement during the period	(533.82)	(1,047.06)
Income tax on net fair value gain	124.36	236.62
Balance at end of the year	**1,264.99**	**1,674.45**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 21.2 NATURE AND PURPOSE OF RESERVE

Retained Earnings

Surplus in profit or loss account (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.

Securities Premium

Securities Premium represents premium received on issue of shares of the company. This is not available for distribution as dividend to shareholders.

General Reserve

General reserve represents appropriation of surplus in the profit and loss account and is available for distribution to shareholders as dividend.

Capital Contribution from holding company

Capital Contribution from holding company represent the fair value of the employee stock option plan. These options are issued by parent company "Kotak Mahindra Bank Limited" to the employee of the company. This is a capital reserve and is not available for distribution to shareholders as dividend.

Other Comprehensive Income

Other Comprehensive Income represents the cumulative gains and losses arising on the revaluation of instruments measured at fair value through other comprehensive income.

NOTE: 22 INTEREST INCOME

Particulars	Year Ended 31-Mar-2019				Year Ended 31-Mar-2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income
Interest income from investments	6,737.19	6.16	-	6,743.35	6,429.45	-	-	6,429.45
Interest on deposits with banks	-	22,931.84	-	22,931.84	-	18,245.66	-	18,245.66
Interest on delayed payment by customers	-	16,488.94	-	16,488.94	-	18,461.20	-	18,461.20
Interest on margin funding	-	7,809.38	-	7,809.38	-	5,048.75	-	5,048.75
Other interest income	-	12.66	-	12.66	-	35.10	-	35.10
Total	**6,737.19**	**47,248.98**	**-**	**53,986.17**	**6,429.45**	**41,790.71**	**-**	**48,220.16**

NOTE 23 DIVIDEND INCOME

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Dividend Income	595.06	560.29

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 24 FEES AND COMMISSION INCOME

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Income from Brokerage and Commission	86,807.36	90,528.75
Fees Income	19,967.33	19,435.45
Total	**106,774.69**	**109,964.20**

NOTE 25 NET GAIN ON FAIR VALUE CHANGES

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	18,072.08	(5,408.16)
- Derivatives	(8,628.78)	16,128.13
Net gain on financial instruments measured on fair value:	**9,443.30**	**10,719.97**
Fair value changes:		
Realised	8,382.42	8,225.78
Unrealised	1,060.88	2,494.19
Total Net gain/(loss) on fair value changes (D)	**9,443.30**	**10,719.97**

NOTE 26 OTHER INCOME :

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Interest on Staff Loans	8.38	8.52
Liabilities Written Back as no Longer Required	103.66	82.07
Net Gain on derecognition of Property, Plant and Equipment	50.91	37.16
Rent	1,080.41	1,024.10
Gain on Foreign Exchange Transactions (net)	6.03	4.08
Interest Income on Income Tax Refund	-	377.01
Provision for Contingencies Written Back	-	320.00
Miscellaneous Income	508.77	539.77
Total	**1,758.16**	**2,392.71**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 27 FINANCE COSTS

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019		Year Ended 31-Mar-2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Discount on Commercial Paper	-	10,373.11	-	9,047.99
Interest on Bank Overdraft	-	91.53	-	28.63
Bank Guarantee Commission and Other Charges	-	80.39	-	50.58
Interest paid on Margin Money and Others	-	2,074.99	-	1,443.98
Total	**-**	**12,620.02**	**-**	**10,571.18**

NOTE 28 EXPENSES

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Fees and commission expense		
Exchange and Depository Charges	6,846.00	5,093.99
Referral fees and Sub brokerage Expense	16,774.00	8,962.88
Total	**23,620.00**	**14,056.87**

NOTE 29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019			Year Ended 31-Mar-2018		
	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through other Comprehensive income	Total	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through other Comprehensive income	Total
Loans	13.07	-	13.07	181.68	-	181.68
Investments	2.52	5.55	8.07	-	(3.41)	(3.41)
Security Deposit	(0.71)	-	(0.71)	1.23	-	1.23
Bank Balance	0.34	-	0.34	0.05	-	0.05
Fixed Deposit	20.05		20.05	11.71		11.71
Receivables	1,489.10	-	1,489.10	(147.65)	-	(147.65)
Total	**1,524.37**	**5.55**	**1,529.92**	**47.02**	**(3.41)**	**43.61**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 30 EMPLOYEE BENEFITS EXPENSES :

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries and Wages	29,863.47	27,959.37
Contribution to Provident and Other Funds (Refer Note No. 38)	1,417.18	1,277.17
Share Based Payments to employees (Refer Note No. 39)	3,232.60	1,971.94
Gratuity (Refer Note No. 38)	402.84	585.48
Compensated Absences (Refer Note No. 38)	141.17	303.19
Staff Welfare Expenses	617.73	532.09
Total	**35,674.99**	**32,629.24**

NOTE:31 DEPRECIATION, AMORTISATION AND IMPAIRMENT :

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Depreciation of property plant and equipment pertaining to continuing operations	1,712.55	1,748.65
Depreciation of investment property	45.29	45.29
Amortisation of intangible assets	507.94	542.22
Total depreciation and amortisation expenses	**2,265.78**	**2,336.16**

NOTE 32 OTHER EXPENSES

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Rent, taxes and energy costs	13,097.56	12,158.35
Repairs and Maintenance - Others	3,618.88	3,153.45
Insurance	187.32	200.42
Communication Costs	2,273.50	2,076.34
Printing and Stationery	579.57	643.14
Office Expenses	821.80	670.88
Advertisement and publicity	3,648.71	1,785.20
Director's fees, allowances and commission (Refer Note below)	21.20	19.00
Audit Fees and expenses	122.04	88.10
Legal and Professional charges	2,255.57	2,679.78
Travelling, Conveyance and Motor Car Expense	1,748.55	1,496.09
Membership and Subscription	1,051.26	965.49
Donations	2.47	12.40
Contribution towards Corporate Social Responsibility (Refer Note No. 45)	422.00	150.00
Common Establishment Expenses-Reimbursement	2,477.81	8,880.84

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlements Cost (net)	192.51	65.15
Service Charges	281.73	241.36
Miscellaneous expenses	802.24	655.31
Total	**33,604.72**	**35,941.30**
Remuneration to Auditors		
(a) For audit	110.00	85.00
(b) For other services	10.00	1.50
(c) For reimbursement of expenses	2.04	1.60
Total	**122.04**	**88.10**

Note - Commission to Independent Directors of ₹12 lakhs (Previous year ₹ 10 Lakhs) is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company

NOTE 33 EARNINGS PER SHARE (EPS)

(₹ in lakhs)

Sr No	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A)	**Profit attributable to Equity holders of Company**		
	Profit attributable to equity holders (₹ In lakhs)	40,759.57	49,858.83
B)	**Weighted average number of ordinary shares**		
	Number of shares at the beginning of the year	1,600,000	1,600,000
	Weighted average number of shares at the end of the year	1,600,000	1,600,000
C)	**Face value per share**	10.00	10.00
D)	**Basic and Diluted earnings per share**	2,547.47	3,116.18

NOTE: 34 TAX EXPENSE

a) Amounts recognised in profit and loss

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Current tax expense		
Current period	23,191.33	26,584.18
Current tax pertaining to prior periods	2.90	9.17
Total current tax expense (A)	**23,194.23**	**26,593.35**
Deferred tax expense		
Origination and reversal of temporary differences	(711.85)	(173.21)
Deferred tax expense (B)	**(711.85)**	**(173.21)**
Tax expense for the year (A)+(B)	**22,482.38**	**26,420.14**

Schedules forming part of Balance Sheet and Profit and Loss Account

b) Amounts recognised in other comprehensive income

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019			Year Ended 31-Mar-2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
- Remeasurements of defined benefit liability (asset)	(115.00)	40.19	(74.81)	(117.65)	41.11	(76.54)
Items that will be reclassified to profit or loss						
- Debt instruments through other comprehensive income	(533.82)	124.36	(409.46)	(1,047.06)	236.62	(810.44)
Total	**(648.82)**	**164.55**	**(484.27)**	**(1,164.71)**	**277.73**	**(886.98)**

c) Reconciliation of effective tax rate

(₹ in lakhs)

	Year Ended 31-Mar-2019		Year Ended 31-Mar-2018	
Particulars	**(₹ in Lakhs)**	**%**	**(₹ in Lakhs)**	**%**
Profit before tax	63,241.95		76,278.97	
Tax using the Company's domestic tax rate (Current year % Previous Year %)	22,099.27	34.944%	26,398.67	34.608%
Reduction in tax rate				
Tax effect of:				
Tax impact of income not subject to tax	(1,599.11)	-2.529%	(1,581.14)	-2.073%
Tax effects of amounts which are not deductible for taxable income	1,189.26	1.880%	791.11	1.037%
Effect of different tax rate	790.06	1.249%	788.28	1.033%
Changes in estimated related to prior years	2.90	0.005%	9.17	0.012%
Impact of change in Tax rate			14.05	0.018%
Total income tax expenses	**22,482.38**	**35.425%**	**26,420.14**	**34.844%**

Schedules forming part of Balance Sheet and Profit and Loss Account

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019					
	Net balance 31-Mar-18	Recognised in profit or loss	Recognised in OCI	Net Closing	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	(39.07)	62.35	-	23.28	23.28	-
Interest Accrued on Debentures/Bonds	(437.34)	(6.55)	-	(443.89)	-	(443.89)
Employee benefits	859.88	125.05	40.19	1,025.12	1,025.12	-
Fair Value (Gain)/loss on Investment	(850.23)	(59.19)	124.36	(785.06)	-	(785.06)
Impairment on Financial Assets	120.31	533.82	-	654.13	654.13	-
Others	82.88	56.36	-	139.24	139.24	-
Total	**(263.57)**	**711.84**	**164.55**	**612.82**	**1,841.77**	**(1,228.95)**

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2018					
	Net balance 1-Apr-17	Recognised in profit or loss	Recognised in OCI	Net Closing	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	(161.77)	122.70	-	(39.07)	-	(39.07)
Interest Accrued on Debentures/Bonds	(438.45)	1.11	-	(437.34)	-	(437.34)
Employee benefits	696.85	121.92	41.11	859.88	859.88	-
Fair Value (Gain)/loss on Investment	(1,065.60)	(21.25)	236.62	(850.23)	-	(850.23)
Contingencies	110.75	(110.75)	-	-	-	-
Impairment on Financial Assets	78.54	41.77	-	120.31	120.31	-
Others	65.17	17.71	-	82.88	82.88	-
Total	**(714.51)**	**173.21**	**277.73**	**(263.57)**	**1,063.07**	**(1,326.64)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of future taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Unrecognised Deferred tax Asset is not recognised on the below mentioned carry forward of long term capital loss

Tax Loss carried Forward

(₹ in lakhs)

Particulars	31-Mar-19	Expiry date	31 March 2018	Expiry date	1 April 2017	Expiry date
Long term Capital Loss	15,835.94	2021-22	15,873.96	2021-22	16,496.00	2021-22
Long term Capital Loss	304.50	2022-23	304.50	2022-23	304.50	2022-23
Total	**16,140.44**		**16,178.46**		**16,800.50**	

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 35 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
I	**Contingent Liabilities shall be classified as:**			
a)	Claims against the company not acknowledged as debt	484.17	497.78	484.31
b)	Income tax matters	3,560.89	3,560.89	2,307.17
c)	Service tax matters	2,533.60	2,533.60	2,533.60
d)	Bank Guarantees given as collateral for margins to various stock exchanges against fixed deposits of ₹15,025.00 Lakhs for 2019 (for 2018 ₹ 7,525.00 Lakhs and for 2017 ₹ 5,000 Lakhs)	29,975.00	15,025.00	10,000.00
II	**Other Commitments shall be classified as:**			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;	587.39	524.87	810.46
b)	Uncalled liability on shares and investments partly paid	9.00	9.00	9.00
	Total	**37,150.05**	**22,151.14**	**16,144.54**

Note: In respect of items mentioned in I ((a), (b) and (c)) 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. Further, the demands are disputed and the Company has preferred an appeal against the said demands.

NOTE 36 RELATED PARTY DISCLOSURE

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosure' are given below:

A. Names of Related Parties

Sr. No.	Particulars
(a)	**Holding company/Parent Company:**
	Kotak Mahindra Bank Limited
	(Mr. Uday S. Kotak, along with relatives and companies controlled by him, holds 29.99% (Previous Year 30.04%) of the equity share capital and 19.68% of the paid-up share capital of KMBL)
(b)	**Subsidiary**
	Kotak Mahindra Financial Services Limited
(c)	**Fellow subsidiary:**
	Kotak Mahindra Capital Company Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra General Insurance Company Limited
	Kotak Mahindra Investments Limited
	Kotak Investment Advisors Limited
	Kotak Mahindra Life Insurance Company Limited
	Kotak Mahindra Inc.
	Kotak Mahindra (UK) Limited
	Kotak Mahindra International Limited

Schedules forming part of Balance Sheet and Profit and Loss Account

Sr. No.	Particulars
(d)	**Entities over which holding company has significant influence**
	Phoenix ARC Private Limited
(e)	**Associate Company:**
	Kotak Mahindra Prime Limited
	Kotak Infrastructure Debt Fund Limited
(f)	**Entities over which director/key management personnel/relatives of key management personnel has significant influence**
	Aero Agencies Limited
	Kotak Commodity Services Private Limited
	Matrix Business Services India Private Limited
	Infina Finance Private Limited
	ACE Derivatives and Commodity Exchange Limited
(g)	**Key Management Personnel**
	Mr. Narayan S. A (Chairman,Non Executive Director)
	Mr. K.V.S. Manian (Non Executive Director)
	Mr. Kamlesh Rao (Managing Director)
	Mr. Ravi Iyer (Managing Director)
	Mr Noshir Dastur (Independent Director)
	Mrs. Falguni Nayar (Independent Director)
	Mr. C.Jayaram, Non Executive Director (Till 26th Oct 2016)
	Mr. D. Kannan, Director (Till 3rd Jan 2017)
	Ms. Shanti Ekambaram Director(Till 19th July 2016)
(h)	**Key Management Personnel of Holding Company**
	Mr. Uday Kotak - Managing Director & CEO
	Mr. Dipak Gupta-Joint Managing Director
(i)	**Relatives of Key Management Personnel/Persons having significant influence**
	Mrs. Rekha Narayan (wife of Mr. Narayan S.A.)
	Mr. Suresh Kotak (father of Mr. Uday Kotak)
	Mrs. Indira Kotak (mother of Mr. Uday Kotak)
	Mr Jay Kotak (son of Mr. Uday Kotak)
	Mr Dhawal Kotak (son of Mr. Uday Kotak)
	Mr. D G Subramanian (father of Mr. D Kannan)
	Mrs. Lakshmi S (mother of Mr. D Kannan)
	Mr. A.K.S Mani (father of Mr. Narayan S A)
	Mrs. N Rajambal (mother of Mr. Narayan S A)
(j)	**Post Employment Benefits Plan**
	Kotak Securities Limited Employees Gratuity Fund

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Transactions with related parties

Transactions with key management personnel

The table below describes the compensation to key management personnel which comprise directors and executive officers under Ind AS 24:

(a) Key management personnel compensation

(₹ in lakhs)

Sr. No.	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
i.	Short-term employee benefits	600.91	560.07
ii.	Post-employment defined benefit	9.36	-
iii.	Shared based payments	390.55	368.05
	Total	**1,000.82**	**928.11**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related Party Disclosures

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
I. Holding Company		
- Kotak Mahindra Bank Limited (KMBL)		
Transactions during the year :		
Purchase of Bonds	4,334.27	-
Fixed Deposits Placed	431,326.25	152,530.18
Fixed Deposits Repaid	430,152.36	185,682.95
Interest Received on Fixed Deposits	1,028.33	1,457.37
Capital Contribution (Refer note no. 21.1)	1,585.44	803.24
Brokerage Earned	1.55	29.86
Fee Income	0.02	0.02
Expense reimbursements paid	2,064.87	8,490.69
Expense reimbursements received	47.76	41.35
Rent expense	2,194.91	2,263.33
Other Expenses	7,163.35	41.80
Rent income	1,005.01	945.89
Asset transferred in	1.00	0.30
Asset transferred out	-	51.66
II. Subsidiary		
Kotak Mahindra Financial Services Limited		
Transactions during the year :		
Expense reimbursements paid	217.60	228.06

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
III. Fellow Subsidiaries		
Transactions during the year :		
Investments Redeemed		
- Kotak Mahindra Asset Management Company Limited	-	930.87
Interest on Non Convertible Debentures		
- Kotak Mahindra Investments Limited	1,555.50	1,555.50
Fee Income		
- Kotak Mahindra Asset Management Company Limited	135.46	146.15
- Kotak Mahindra Capital Company Limited	2,416.61	5,639.81
- Kotak Mahindra Investments Limited	0.32	0.27
Expense reimbursement to other company		
- Kotak Investment Advisors Limited	4.20	3.37
- Kotak Mahindra Asset Management Company Limited	2.51	0.26
- Kotak Mahindra Capital Company Limited	312.26	307.36
- Kotak Mahindra Inc	466.67	690.29
- Kotak Mahindra Investments Limited	5.88	2.44
- Kotak Mahindra (UK) Limited	1,147.04	904.75
Expense reimbursement from other company		
- Kotak Investment Advisors Limited	2.16	1.64
- Kotak Mahindra Asset Management Company Limited	23.37	19.80
- Kotak Mahindra Capital Company Limited	124.79	91.77
- Kotak Mahindra Investments Limited	-	0.19
- Kotak Mahindra Life Insurance Company Limited	3.08	2.58
- Kotak Mahindra General Insurance Company Limited	6.99	2.21
Other Expenses		
- Kotak Mahindra Capital Company Limited	2,057.34	-
- Kotak Mahindra Life Insurance Company Limited	33.32	32.53
- Kotak Mahindra General Insurance Company Limited	42.00	39.17
Other Income		
- Kotak Mahindra Life Insurance Company Limited	15.58	18.92
Rent expense		-
- Kotak Mahindra Capital Company Limited	21.84	22.23
- Kotak Mahindra Life Insurance Company Limited	-	0.56
Rent Income		
- Kotak Mahindra Capital Company Limited	67.55	69.59
- Kotak Mahindra Investments Limited	7.86	8.61

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Brokerage Earned		
- Kotak Investment Advisors Limited	-	0.13
- Kotak Mahindra Asset Management Company Limited	44.34	4.45
- Kotak Mahindra International Limited	57.26	80.60
- Kotak Mahindra Investments Limited	24.29	15.54
- Kotak Mahindra Life Insurance Company Limited	217.44	182.52
IV. Entities over which holding company has significant influence		
Phoenix ARC Private Limited		
Transactions during the year :		
Non Convertible Debentures Subscribed	7,500.00	
Interest On Debentures	6.16	
V. Associate Company		
Transactions during the year :		
Dividend on Equity shares		
- Kotak Mahindra Prime Limited	10.28	10.28
Non Convertible Debentures Subscribed		
- Kotak Mahindra Prime Limited	-	10,000.00
Non Convertible Debentures Redeemed		
- Kotak Mahindra Prime Limited	-	5,000.00
Interest On Debentures		
- Kotak Mahindra Prime Limited	4,080.00	3,711.44
Brokerage Earned		
- Kotak Mahindra Prime Limited	1.17	5.10
Fee Income		
- Kotak Mahindra Prime Limited	0.01	0.01
Expense reimbursement from other company		
- Kotak Mahindra Prime Limited	-	7.15
VI. Key Management Personnel (KMP)		
Transactions during the year :		
Brokerage Earned		
- Narayan S A	0.16	1.21
- Kamlesh Rao	0.69	2.88
- Ravi Iyer	0.48	0.19

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Fee Income		
- Kamlesh Rao	-	0.01
Director's sitting fees and commission		
- Mr Noshir Dastur *	9.20	10.00
- Mrs. Falguni Nayar *	12.00	7.00
VII. KMP of holding company		
Mr. Uday S. Kotak		
Transactions during the year :		
Brokerage Earned	-	168.72
Rent expense	8.24	8.24
VIII. Relatives of Key Management Personnel/Persons having significant influence		
Transactions during the year :		
Brokerage Earned		
- Indira Suresh Kotak	-	1.22
- Rekha Narayan	-	0.01
- Jay Kotak	-	0.05
Fee Income		
- Jay Kotak	-	0.01
IX. Entities over which relative of director has significant influence		
Transactions during the year :		
Deposits Taken		
- Kotak Commodity Services Private Limited	-	0.77
Deposits Repaid		
- Kotak Commodity Services Private Limited	5.47	0.86
Brokerage Earned		
- Infina Finance Private Limited	293.49	482.29
- Kotak Commodity Services Private Limited	2.31	2.43
Fee Income		
- Infina Finance Private Limited	0.03	0.03
- Kotak Commodity Services Private Limited	360.06	256.46
Expense reimbursement from other company		
- Infina Finance Private Limited	0.64	0.81
- Kotak Commodity Services Private Limited	181.97	180.86

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Expense reimbursement from other company		
- Kotak Commodity Services Private Limited	4.24	8.95
Other Expenses		
- Aero Agencies Limited	-	14.08
- Matrix Business Services India Private Ltd	1.09	4.47
- Kotak Commodity Services Private Limited	201.07	136.52
Rent Expense		
- Infina Finance Private Limited	2.61	2.61
Rent Income		
- Ace Derivatives And Commodity Exchange Limited	0.60	0.30

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

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
I. Holding Company			
- Kotak Mahindra Bank Limited (KMBL)			
Balance outstanding as at the year end :			
Bank Balance	700.87	-	10,830.40
Term Deposits Placed	9,208.13	8,034.24	41,187.02
Interest accrued on Term Deposits placed	21.41	67.00	295.73
Payable-Secondary	119.19	15.78	477.34
Payable (Others)	876.13	187.21	430.82
Capital Contribution	3,154.14	1,568.70	765.46
II. Subsidiary			
Kotak Mahindra Financial Services Limited			
Balance outstanding as at the year end :			
Investments in Shares	585.57	585.57	585.57
Payable (Others)	17.76	33.03	47.23
III. Fellow Subsidiaries			
Balance outstanding as at the year end :			
Investment in Preference share			
- Kotak Mahindra Asset Management Company Limited			938.58

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Non Convertible Debentures Subscribed			
- Kotak Mahindra Investments Limited	17,736.60	18,030.44	18,130.21
Interest Accrued on Non Convertible Debentures			
- Kotak Mahindra Investments Limited	200.93	199.70	198.47
Receivable-Secondary			
- Kotak Mahindra Capital Company Limited	0.05	0.08	-
- Kotak Mahindra International Limited	0.31	0.37	3.72
- Kotak Mahindra Life Insurance Company Limited	12.00	9.98	-
- Kotak Mahindra Investments Limited	-	-	0.57
Payable-Secondary			
- Kotak Mahindra Investments Limited	275.29	902.42	-
Receivable (Others)			
- Kotak Mahindra Asset Management Company Limited	15.16	29.41	9.31
- Kotak Mahindra Capital Company Limited	327.39	478.91	29.88
- Kotak Mahindra Investments Limited	207.86	1.61	1.51
- Kotak Mahindra Life Insurance Company Limited	4.00	3.93	2.31
- Kotak Investment Advisors Limited	-	-	9.90
Payable (Others)			
- Kotak Investment Advisors Limited	3.41	3.56	-
- Kotak Mahindra Inc	75.96	53.07	75.45
- Kotak Mahindra (UK) Limited	92.23	57.85	76.01
IV Entities over which holding company has significant influence			
Phoenix ARC Private Limited			
Non Convertible Debentures Subscribed	7497.48	-	-
Interest Accrued On Debenture	6.16	-	-
V. Associate Company			
Balance outstanding as at the year end :			
Investment in Equity share			
- Kotak Infrastructure Debt fund Limited	9,300.00	9,300.00	9,300.00
Non Convertible Debentures Subscribed			
- Kotak Mahindra Prime Limited	41,496.20	41,591.56	37,525.00
Interest Accrued On Debenture			
- Kotak Mahindra Prime Limited	1,053.15	1,047.33	1,063.88
Investments in Shares			
- Kotak Mahindra Prime Limited	27,080.69	27,080.69	27,080.69

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Receivable-Secondary			
- Kotak Mahindra Prime Limited	-	0.01	-
VI. Key Management Personnel (KMP)			
Balance outstanding as at the year end :			
Payable-Secondary			
- Narayan S A	9.11	0.01	0.01
- Kamlesh Rao	133.38	0.07	-
- Ravi Iyer	0.01	0.01	0.01
- Mr Noshir Dastur	6.20	4.90	-
- Mrs. Falguni Nayar	6.20	4.90	-
- Mr D Kannan			0.01
- Mr C.Jayaram			0.01
Receivable-Secondary			
- Kamlesh Rao			35.54
VII. KMP of holding company			
Mr. Uday S. Kotak			
Payable (Others)	-	-	0.69
VIII. Relatives of Key Management Personnel/Persons having significant influence			
Balance outstanding as at the year end :			
Receivable-Secondary			
- Suresh Kotak	0.02	0.01	0.06
- Jay Kotak	0.01	0.01	-
Payable-Secondary			
- Indira Suresh Kotak	0.01	-	-
- D G Subramanian	-	-	0.01
- Lakshmi S	-	-	0.01
- Rekha Narayan	0.01	-	-
IX. Entities over which relative of director has significant influence			
Balance outstanding as at the year end :			
Deposits Paid			
- Kotak Commodity Services Private Limited	3.15	3.15	3.15

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deposits Taken			
- Infina Finance Private Limited	0.26	0.47	0.47
- Kotak Commodity Services Private Limited	1.46	8.31	8.40
Receivable-Secondary			
- Kotak Commodity Services Private Limited	22.51	76.77	14.12
Payable-Secondary			
- Infina Finance Private Limited	28.42	38.93	7.93
Receivable (Others)			
- Infina Finance Private Limited	0.57	0.88	
- Ace Derivatives And Commodity Exchange Limited	0.16	0.33	
- Kotak Commodity Services Private Limited	6.12	6.52	10.00
X. Post Employment Benefits Plan			
Kotak Securities Limited Employees Gratuity Fund *			

*** Kindly refer note 38 for details**

NOTE: 37 LEASE DISCLOSURE

Operating Lease as Lessee:

i. The Company has taken various offices and godown premises under operating lease on leave and license agreements. These are generally cancellable in nature and range between 11 months to 108 months (previous year 4 months to 110 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.

ii. Future Minimum Lease Payments under non-cancellable lease :

The future minimum rental are as follows:-

(₹ in lakhs)

Sr No	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(A)	not later than one year	463.53	68.40	174.16
(B)	later than one year and not later than five years	224.30	23.92	18.57
(C)	later than five years	-	-	-

iii. Amounts recognised in profit or loss under the head 'Rent, taxes and energy costs' in Note 32.

(₹ in lakhs)

	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
(A)	Rent expense	4,204.31	4,064.40
	Total	**4,204.31**	**4,064.40**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 38: EMPLOYEE BENEFITS

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised ₹ 1,290.14 lakhs (previous year ₹ 1,143.52 lakhs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹ 2.25 lakhs (previous year ₹ 3.00 lakhs) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of ₹ 20 lakhs. (Previous Year ₹ 20 lakhs).

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. 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.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Present value of funded defined benefit obligation (A)	2,647.89	2,339.86	1,741.61
Fair value of plan assets (B)	(2,226.50)	(1,740.23)	(1,607.83)
Net (asset) / liability recognised in the Balance Sheet (A-B)	421.39	599.63	133.78

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in Lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Opening balance	2,339.86	1,741.61	1,740.22	1,607.82	599.64	133.79
Included in profit or loss					-	-
Current service cost	379.17	275.14	(-)	(-)	379.17	275.14
Past service cost		307.91	(-)	(-)	-	307.91
Interest cost (income)	166.59	118.64	142.92	116.22	23.67	2.42
	2,885.62	**2,443.30**	**1,883.14**	**1,724.04**	**1,002.48**	**719.26**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	(0.73)	133.48			(0.73)	133.48
Financial assumptions	123.84	(107.73)			123.84	(107.73)
Experience adjustment	40.27	111.49			40.27	111.49
Actual return on plan assets less interest on plan assets	-	-	48.38	19.59	(48.38)	(19.59)
	163.38	**137.23**	**48.38**	**19.59**	**115.01**	**117.65**
Other						
Contributions paid by the employer	-	-	713.41	224.10	(713.41)	(224.10)
Benefits paid	(418.44)	(227.51)	(418.44)	(227.51)	-	-
Liabilities assumed / (settled)*	17.32	(13.17)	-	-	17.32	(13.17)
Closing balance	2,647.88	2,339.85	2,226.49	1,740.22	421.40	599.64
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	2,647.88	2,339.85	2,226.49	1,740.22	421.40	599.64

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31-Mar-19	As at 31-Mar-18
Discount rate	7.15%	7.90%
Salary escalation rate	7.00%	7.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lakhs)

Impact of change in assumption	As at 31-Mar-19		As at 31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(83.82)	89.23	(69.46)	73.79
Future salary growth (0.5% movement)	67.18	(65.58)	57.17	(55.56)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Risk exposure

A decrease in Government Securities yield will increase plan liabilities. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

D. Expected Future Cash Flows

Expected contribution:

There is no compulsion on the part of the Company to pre fund the liability of the plan. The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

The expected contribution payable to the plan next year is ₹ 600 Lakhs

Expected future benefit payments:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(₹ in lakhs)

Maturity profile	Mar-19	Mar-18
Expected benefits for Year 1	486.06	462.29
Expected benefits for Year 2	378.95	356.70
Expected benefits for Year 3	325.29	297.89
Expected benefits for Year 4	279.05	259.13
Expected benefits for Year 5	250.65	249.63
Expected benefits for Year 6	195.09	215.67
Expected benefits for Year 7	208.29	158.54
Expected benefits for Year 8	188.24	184.45
Expected benefits for Year 9	188.31	156.49
Expected benefits for Year 10 and above	2,273.75	2,039.32

NOTE 39 SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

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

(a) Kotak Mahindra Equity Option Scheme 2007; and

(b) Kotak Mahindra Equity Option Scheme 2015

The fair value of the option is determined using a Black-Scholes options pricing model. The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The measurement of fair value was not adjusted for any other feature of the option grant and no option grant was subject to a market condition. During the year, ₹ 1585.44 lakhs (2018: ₹ 803.24 lakhs) was charged to the Company's statement of profit or loss in respect of equity-settled share-based payments transactions with a corresponding increase being made as a deemed capital contribution to the Company by the Parent.

Schedules forming part of Balance Sheet and Profit and Loss Account

During the year ended March 31, 2019 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Contractual Life	Vesting period	Exercisable at the end of the year	Remaining contractual life	Market Price
ESOP 2007-47									
D	09-May-15	Equity settled	27,818	665.00	4.15	3.65	27,818.00	0.50	664.75
ESOP 2015-02									
C	19-May-16	Equity settled	57,012	710.00	3.62	3.12		0.75	708.90
D	19-May-16	Equity settled	57,012	710.00	3.87	3.53		1.00	708.90
ESOP 2015-03									
A	19-May-16	Equity settled	20,000	710.00	3.86	3.62		1.00	708.90
ESOP 2015-05									
A	10-Aug-16	Equity settled	19,000	765.00	3.39	3.01		0.75	764.75
B	10-Aug-16	Equity settled	19,000	765.00	4.39	4.01		1.75	764.75
ESOP 2015-07									
B	15-May-17	Equity settled	154,602	955.00	2.96	2.46		1.08	954.65
C	15-May-17	Equity settled	103,068	955.00	3.63	3.13		1.76	954.65
D	15-May-17	Equity settled	103,068	955.00	4.13	3.63		2.25	954.65
ESOP 2015-11									
A	06-Sep-17	Equity settled	2,640	988.40	2.15	1.65		0.59	988.40
B	06-Sep-17	Equity settled	2,640	988.40	3.15	2.65		1.59	988.40
C	06-Sep-17	Equity settled	2,720	988.40	3.65	3.15		2.08	988.40
ESOP 2015-14									
A	18-May-18	Equity settled	230,040	1,271.00	1.71	1.20		0.84	1,270.70
B	18-May-18	Equity settled	230,040	1,271.00	2.95	2.46		2.08	1,270.70
C	18-May-18	Equity settled	153,360	1,271.00	3.62	3.12		2.76	1,270.70
D	18-May-18	Equity settled	153,360	1,271.00	4.12	3.62		3.25	1,270.70

During the year ended March 31,2018 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Contractual Life	Vesting period	Exercisable at the end of the year	Remaining contractual life	Market Price
ESOP 2007-44									
D	09-05-2014	Equity settled	29756	406	4.15	3.65	29,756	0.25	406.00
ESOP 2007-47									
C	09-05-2015	Equity settled	66288	665	3.65	3.15		0.75	664.75
D	09-05-2015	Equity settled	66288	665	4.15	3.65		1.25	664.75
ESOP 2015-02									
A	19-05-2016	Equity settled	5260	710	1.87	1.37		-	708.90
B	19-05-2016	Equity settled	87147	710	2.70	2.20		0.84	708.90
C	19-05-2016	Equity settled	58098	710	3.62	3.12		1.75	708.90

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Contractual Life	Vesting period	Exercisable at the end of the year	Remaining contractual life	Market Price
D	19-05-2016	Equity settled	58098	710	3.87	3.53		2.00	708.90
ESOP 2015-03									
A	19-05-2016	Equity settled	40000	710	3.87	3.62		2.00	708.90
ESOP 2015-05									
A	10-08-2016	Equity settled	19000	765	3.39	3.01		1.75	764.75
B	10-08-2016	Equity settled	19000	765	4.39	4.02		2.76	764.75
ESOP 2015-07									
A	15-05-2017	Equity settled	158403	955	1.79	1.30		0.92	954.65
B	15-05-2017	Equity settled	158403	955	2.96	2.46		2.08	954.65
C	15-05-2017	Equity settled	105602	955	3.63	3.13		2.76	954.65
D	15-05-2017	Equity settled	105602	955	4.13	3.63		3.25	954.65
ESOP 2015-11									
A	06-09-2017	Equity settled	2640	988.4	2.15	1.65		1.59	988.40
B	06-09-2017	Equity settled	2640	988.4	3.15	2.65		2.59	988.40
C	06-09-2017	Equity settled	2720	988.4	3.65	3.15		3.08	988.40

Activity in the options outstanding under the employee's stock option Scheme are as follows:

Scheme Referance	Grant date	Balance as at April 01, 2018	Granted during the year*	Exercised during the year	Lapsed/ cancelled during the year**	Balance as at March 31, 2019
ESOP 2007-44	09-May-14	29,756	-	(29,756)	-	-
ESOP 2007-47	09-May-15	132,576	-	(103,322)	(1,436)	27,818
ESOP 2015-02	19-May-16	208,603	518	(92,077)	(3,020)	114,024
ESOP 2015-03	19-May-16	40,000	-	-	(20,000)	20,000
ESOP 2015-05	10-Aug-16	38,000	-	-	-	38,000
ESOP 2015-07	15-May-17	528,010	1,020	(157,145)	(11,147)	360,738
ESOP 2015-11	06-Sep-17	8,000	-	-	-	8,000
ESOP 2015-14	18-May-18	-	785,120	-	(18,320)	766,800
		984,945	**786,658**	**(382,300)**	**(53,923)**	**1,335,380**

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme Referance	Grant date	Balance as at April 01, 2017	Granted during the year*	Exercised during the year	Lapsed/ cancelled during the year**	Balance as at March 31, 2018
ESOP 2007-40	10-May-13	27,094	-	(27,094)	-	-
ESOP 2007-44	09-May-14	115,848	-	(86,092)	-	29,756
ESOP 2007-47	09-May-15	260,852	-	(111,928)	(16,348)	132,576
ESOP 2015-02	19-May-16	327,590	-	(92,189)	(26,798)	208,603
ESOP 2015-03	19-May-16	40,000	-	-	-	40,000
ESOP 2015-05	10-Aug-16	42,000	-	-	(4,000)	38,000
ESOP 2015-07	15-May-17	-	557,400	-	(29,390)	528,010
ESOP 2015-11	06-Sep-17		8,000			8,000
		813,384	**565,400**	**(317,303)**	**(76,536)**	**984,945**

*Includes transfer ins during the year

**Includes transfer outs during the year

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

As at March 31st, 2019

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (₹)	
		From	To	From	To			From	To		From	To	From	To
2007-44	09-May-14	1.39	3.65	1.65	3.90	812.00	812.00	8.73%	8.89%	0.10%	28.53%	30.17%	171.64	303.42
2007-47	09-May-15	1.40	3.65	1.65	3.90	665.00	664.75	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-11	06-Sep-17	1.65	3.15	1.90	3.40	988.40	988.4	6.39%	6.55%	0.06%	19.76%	34.28%	166.29	324.06
2015-14	18-May-18	1.20	3.62	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70

As at March 31st, 2018

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (₹)	
		From	To	From	To			From	To		From	To	From	To
2007-40	10-May-13	1.39	3.65	1.64	3.89	724.00	723.35	7.47%	7.52%	0.10%	27.68%	31.56%	142.10	259.91
2007-44	09-May-14	1.39	3.65	1.65	3.90	812.00	812.00	8.73%	8.89%	0.10%	28.53%	30.17%	171.64	303.42
2007-47	09-May-15	1.40	3.65	1.65	3.90	665.00	664.75	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-11	06-Sep-17	1.65	3.15	1.90	3.40	988.40	988.4	6.39%	6.55%	0.06%	19.76%	34.28%	166.29	324.06

Schedules forming part of Balance Sheet and Profit and Loss Account

ii. Stock Appreciation Rights (cash-settled)

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.

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees.

During the year ended March 31, 2019 following schemes were in operation:

Scheme reference	Mode of settlement accounting	Grant Date	No. of SARs	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/04	Cash settled	19-May-16	776	30-06-2019	3.12
2015/04	Cash settled	19-May-16	776	07-07-2019	3.13
2015/04	Cash settled	19-May-16	802	14-07-2019	3.15
2015/04	Cash settled	19-May-16	776	30-11-2019	3.53
2015/04	Cash settled	19-May-16	776	07-12-2019	3.55
2015/04	Cash settled	19-May-16	802	14-12-2019	3.57
2015/04	Cash settled	19-May-16	4317	07-07-2019	3.13
2015/04	Cash settled	19-May-16	4317	14-07-2019	3.15
2015/04	Cash settled	19-May-16	4318	21-07-2019	3.17
2015/04	Cash settled	19-May-16	4317	07-12-2019	3.55
2015/04	Cash settled	19-May-16	4317	14-12-2019	3.57
2015/04	Cash settled	19-May-16	4318	21-12-2019	3.59
2015/09	Cash settled	15-May-17	7923	31-10-2019	2.46
2015/09	Cash settled	15-May-17	7923	07-11-2019	2.48
2015/09	Cash settled	15-May-17	7923	14-11-2019	2.50
2015/09	Cash settled	15-May-17	5283	30-06-2020	3.13
2015/09	Cash settled	15-May-17	5283	07-07-2020	3.15
2015/09	Cash settled	15-May-17	5280	14-07-2020	3.17
2015/09	Cash settled	15-May-17	5283	31-12-2020	3.63
2015/09	Cash settled	15-May-17	5283	07-01-2021	3.65
2015/09	Cash settled	15-May-17	5280	14-01-2021	3.67
2015/09	Cash settled	15-May-17	2225	31-10-2019	2.46
2015/09	Cash settled	15-May-17	2225	07-11-2019	2.48
2015/09	Cash settled	15-May-17	2225	14-11-2019	2.50
2015/09	Cash settled	15-May-17	1463	30-06-2020	3.13
2015/09	Cash settled	15-May-17	1463	07-07-2020	3.15
2015/09	Cash settled	15-May-17	1524	14-07-2020	3.17
2015/09	Cash settled	15-May-17	1463	31-12-2020	3.63
2015/09	Cash settled	15-May-17	1463	07-01-2021	3.65
2015/09	Cash settled	15-May-17	1524	14-01-2021	3.67

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Mode of settlement accounting	Grant Date	No. of SARs	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/17	Cash settled	18-May-18	8817	31-07-2019	1.20
2015/17	Cash settled	18-May-18	9453	07-08-2019	1.22
2015/17	Cash settled	18-May-18	9453	14-08-2019	1.24
2015/17	Cash settled	18-May-18	8817	31-10-2020	2.46
2015/17	Cash settled	18-May-18	9453	07-11-2020	2.48
2015/17	Cash settled	18-May-18	9453	14-11-2020	2.50
2015/17	Cash settled	18-May-18	5878	30-06-2021	3.12
2015/17	Cash settled	18-May-18	6302	07-07-2021	3.14
2015/17	Cash settled	18-May-18	6302	14-07-2021	3.16
2015/17	Cash settled	18-May-18	5878	31-12-2021	3.62
2015/17	Cash settled	18-May-18	6302	07-01-2022	3.64
2015/17	Cash settled	18-May-18	6302	14-01-2022	3.66
2015/17	Cash settled	18-May-18	3256	31-07-2019	1.20
2015/17	Cash settled	18-May-18	3256	07-08-2019	1.22
2015/17	Cash settled	18-May-18	3256	14-08-2019	1.24
2015/17	Cash settled	18-May-18	3256	31-10-2020	2.46
2015/17	Cash settled	18-May-18	3256	07-11-2020	2.48
2015/17	Cash settled	18-May-18	3256	14-11-2020	2.50
2015/17	Cash settled	18-May-18	2177	30-06-2021	3.12
2015/17	Cash settled	18-May-18	2174	07-07-2021	3.14
2015/17	Cash settled	18-May-18	2161	14-07-2021	3.16
2015/17	Cash settled	18-May-18	2177	30-12-2021	3.62
2015/17	Cash settled	18-May-18	2174	07-01-2022	3.64
2015/17	Cash settled	18-May-18	2161	14-01-2022	3.66

During the year ended March 31, 2018 following schemes were in operation:

Scheme reference	Mode of settlement accounting	Grant Date	No. of SARs	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/03	Cash settled	26-Oct-15	2,575	31-07-2018	2.76
2015/04	Cash settled	9-May-15	20,024	30-06-2018	3.15
2015/04	Cash settled	9-May-15	20,024	31-12-2018	3.65
2015/04 (Series 4)	Cash settled	19-May-16	1,376	31-07-2018	2.20
2015/04 (Series 4)	Cash settled	19-May-16	7,946	07-08-2018	2.22
2015/04 (Series 4)	Cash settled	19-May-16	7,946	14-08-2018	2.24
2015/04 (Series 4)	Cash settled	19-May-16	6,570	21-08-2018	2.26
2015/04 (Series 4)	Cash settled	19-May-16	919	30-06-2019	3.12
2015/04 (Series 4)	Cash settled	19-May-16	5,299	07-07-2019	3.13

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Mode of settlement accounting	Grant Date	No. of SARs	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/04 (Series 4)	Cash settled	19-May-16	5,295	14-07-2019	3.15
2015/04 (Series 4)	Cash settled	19-May-16	4,380	21-07-2019	3.17
2015/04 (Series 4)	Cash settled	19-May-16	919	30-11-2019	3.53
2015/04 (Series 4)	Cash settled	19-May-16	5,299	07-12-2019	3.55
2015/04 (Series 4)	Cash settled	19-May-16	5,295	14-12-2019	3.57
2015/04 (Series 4)	Cash settled	19-May-16	4,380	21-12-2019	3.59
2015/09	Cash settled	15-May-17	10,549	31-08-2018	1.30
2015/09	Cash settled	15-May-17	10,549	07-09-2018	1.32
2015/09	Cash settled	15-May-17	10,549	14-09-2018	1.33
2015/09	Cash settled	15-May-17	10,549	31-10-2019	2.46
2015/09	Cash settled	15-May-17	10,549	07-11-2019	2.48
2015/09	Cash settled	15-May-17	10,549	14-11-2019	2.50
2015/09	Cash settled	15-May-17	7,034	30-06-2020	3.13
2015/09	Cash settled	15-May-17	7,034	07-07-2020	3.15
2015/09	Cash settled	15-May-17	7,031	14-07-2020	3.17
2015/09	Cash settled	15-May-17	7,034	31-12-2020	3.63
2015/09	Cash settled	15-May-17	7,034	07-01-2021	3.65
2015/09	Cash settled	15-May-17	7,031	14-01-2021	3.67
2015/14	Cash settled	24-Oct-17	1,884	31-10-2019	2.02
2015/14	Cash settled	24-Oct-17	1,884	31-10-2020	3.02
2015/14	Cash settled	24-Oct-17	942	31-10-2021	4.02

Detail of activity under SARs is summarised below:

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year*	Exercised during the year	Lapsed/ cancelled during the year**	"Balance as at March 31, 2019"
2015/03	26-Oct-15	2,575	-	(2,575)	-	-
2015/04	09-May-15	40,048	-	(39,152)	(896)	-
2015/04	19-May-16	55,622		(23,751)	(1,259)	30,612
2015/09	15-May-17	105,490		(31,431)	(3,023)	71,036
2015/14	24-Oct-17	4,710	-	-	(4,710)	-
2015/17	18-May-18	-	129,640	-	(4,670)	124,970
		208,445	**129,640**	**(96,909)**	**(14,558)**	**226,618**

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant date	Balance as at April 01, 2017	Granted during the year*	Exercised during the year	Lapsed/ cancelled during the year**	Balance as at March 31, 2018
2013/07	09-May-14	18,552	-	(18,552)	-	-
2015/03	26-Oct-15	5,150	-	(2,575)	-	2,575
2014/02	09-May-14	13,824	-	(13,824)	-	-
2015/04	09-May-15	77,854	-	(32,988)	(4,818)	40,048
2015/04 (Series 4)	19-May-16	89,390	-	(26,595)	(7,173)	55,622
2015/09	15-May-17	-	111,800	-	(6,310)	105,490
2015/14	24-Oct-17	-	4,710	-	-	4,710
		204,770	**116,510**	**(94,534)**	**(18,301)**	**208,445**

*Includes transfer ins during the year

**Includes transfer outs during the year

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

31-Mar-19

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SAR (₹)	
		From	To	From	To			From	To		From	To	From	To
2015 Series 4	19-May-16	0.25	0.71	0.25	0.71	-	1,334.50	6.25%	6.44%	0.05%	19.74%	27.53%	1,334.00	1,334.32
2015 Series 9	15-May-17	0.59	1.79	0.59	1.79	-	1,334.50	6.39%	6.65%	0.05%	22.31%	28.06%	1,333.24	1,334.09
2015 SERIES 17	18-May-18	0.33	2.79	0.33	2.79	-	1,334.50	6.29%	6.74%	0.05%	21.03%	27.91%	1,332.54	1,334.27

31-Mar-18

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SAR (₹)	
		From	To	From	To			From	To		From	To	From	To
Series 2015/4	09-May-15	0.25	0.75	0.25	0.75	-	1,069.21	6.14%	6.50%	0.06%	18.10%	19.23%	1,064.00	1,064.14
2015 Series 3	26-Oct-15	0.33	0.33	0.33	0.33	5.00	1,069.21	6.21%	6.21%	0.06%	17.88%	17.88%	1,064.11	1,064.11
2015 Series 4	19-May-16	0.33	1.71	0.33	1.71	-	1,047.80	6.21%	6.87%	0.06%	17.44%	18.35%	1,046.78	1,047.60
2015 Series 9	15-May-17	0.42	2.79	0.42	2.79	-	1,047.80	6.27%	7.16%	0.06%	16.74%	21.03%	1,046.12	1,047.55
2015 Series 14	24-Oct-17	1.59	3.59	1.59	3.59	-	1,047.80	6.84%	7.33%	0.06%	18.36%	22.56%	1,046.85	1,045.65

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The measurement of fair value was not adjusted for any other feature of the option grant and no option grant was subject to a market condition.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 40 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortised Cost.

(₹ in Lakhs)

Particulars	As at 31-Mar-19					As at 31-Mar-18					As at 01-Apr-17				
	FVTPL	FVTOCI	Amortised cost	Cost	Total	FVTPL	FVTOCI	Amortised cost	Cost	Total	FVTPL	FVTOCI	Amortised cost	Cost	Total
Financial assets															
Cash and cash equivalents	-	-	2,013.92		2,013.92			10,259.10		10,259.10	-	-	11,302.06		11,302.06
Bank Balance other than cash and cash equivalent	-	-	343,744.36		343,744.36			288,400.10		288,400.10	-	-	214,296.13		214,296.13
Derivative financial instruments	224.39				224.39	407.00				407.00	271.40				271.40
Receivables:					-					-					-
Trade receivables	-	-	169,298.66		169,298.66			170,647.68		170,647.68	-	-	204,663.12		204,663.12
Loans					-					-					-
Receivable from clients- Margin funding			58,021.67		58,021.67			66,465.61		66,465.61					-
Loans given to Employees			111.89		111.89			97.16		97.16			109.76		109.76
Investments	135,655.60	78,325.87	7,497.48	36,966.26	258,445.21	78,559.79	78,909.42	-	36,966.26	194,435.47	36,939.31	75,931.91	-	36,966.26	149,837.48
Other financial assets	-	-	1,285.16		1,285.16			25,065.82		25,065.82	-	-	18,319.75		18,319.75
Total financial assets	**135,879.99**	**78,325.87**	**581,973.14**	**36,966.26**	**833,145.26**	**78,966.79**	**78,909.42**	**560,935.47**	**36,966.26**	**755,777.94**	**37,210.71**	**75,931.91**	**448,690.82**	**36,966.26**	**598,799.70**
Financial liabilities															
Derivative financial instruments	352.27	-	-		352.27	530.85	-	-		530.85	247.37	-	-	-	247.37
Payables															
Trade Payables	-	-	296,472.46		296,472.46		-	176,321.40		176,321.40	-	-	204,775.69	-	204,775.69
Debt securities	-	-	136,290.68		136,290.68	-	-	212,836.78		212,836.78	-	-	86,677.44	-	86,677.44
Other Financial liabilities	-	-	7,437.47		7,437.47	-	-	13,252.85		13,252.85	-	-	5,249.55	-	5,249.55
Total financial liabilities	**352.27**	**-**	**440,200.61**	**-**	**440,552.88**	**530.85**	**-**	**402,411.03**		**402,941.88**	**247.37**	**-**	**296,702.68**	**-**	**296,950.05**

B. Fair value hierarchy:

Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below.

(₹ in Lakhs)

Particulars	As at 31-Mar-19				As at 31-Mar-18				As at 01-Apr-17			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Investments at FVTPL												
- Mutual funds	25,063.13			25,063.13	19,808.40			19,808.40	18,136.87			18,136.87
- Preference shares			779.90	779.90			786.09	786.09			1,724.67	1,724.67
- Equity instruments	108,099.88	1,519.39	-	109,619.27	49,428.17	8,299.99	-	57,728.16	16,719.68	-	14.77	16,734.45
- Venture Funds		193.30		193.30		237.14		237.14		343.32		343.32
- Derivatives	224.39			224.39	407.00			407.00	271.40			271.40
Investments at FVOCI				-				-				-
- Debentures		78,325.87		78,325.87		78,909.42		78,909.42		75,931.91		75,931.91
- Equity instruments				-				-				-
Investments at Amortised cost				-				-				-
- Debentures				-				-				-
- Loans				-				-				-
Total financial assets	**133,387.40**	**80,038.56**	**779.90**	**214,205.86**	**69,643.57**	**87,446.55**	**786.09**	**157,876.21**	**35,127.95**	**76,275.23**	**1,739.44**	**113,142.62**
Financial liabilities												
Derivative financial instruments	352.27			352.27	530.85			530.85	247.37			247.37
Total financial liabilities	**352.27**	**-**	**-**	**352.27**	**530.85**	**-**	**-**	**530.85**	**247.37**	**-**	**-**	**247.37**

Fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy, are presented below.

(₹ in Lakhs)

Particulars	As at 31-Mar-19				As at 31-Mar-18				As at 01-Apr-17			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Loans												
- Receivable from clients- Margin funding	-	-	58,021.67	58,021.67	-	-	66,465.61	66,465.61	-	-		-
- Loans given to Employees	-	-	112.13	112.13	-	-	98.28	98.28	-	-	110.26	110.26
Investments												
- Preference shares	-			-	-			-	-			-
- Non Convertible Debentures	-	7,600.77		7,600.77	-			-	-			-
Other financial assets												
- Other financial assets	-	-	1,240.48	1,240.48	-	-	1,120.67	1,120.67	-	-	1,054.84	1,054.84
- Finance lease receivable	-	-		-	-	-		-	-	-		-
Total financial assets	**-**	**7,600.77**	**59,374.28**	**66,975.05**	**-**	**-**	**67,684.56**	**67,684.56**	**-**	**-**	**1,165.10**	**1,165.10**

Schedules forming part of Balance Sheet and Profit and Loss Account

Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

	As at 31-Mar-19		As at 31-Mar-18		As at 01-Apr-17	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans						
- Loans given to Employee	111.89	112.13	97.64	98.28	109.76	110.26
Investments						
- Debentures	7,497.48	7,600.77				
Other financial assets						
- security deposit	1,240.37	1,240.48	1,122.01	1,120.67	1,054.90	1,054.84
- Finance lease receivable						
	8,849.74	**8,953.38**	**1,219.65**	**1,218.95**	**1,164.66**	**1,165.10**

The carrying amounts of Cash and cash equivalents, Bank Balance other than cash and cash equivalent, trade receivables, other deposits, trade payable, debt securities and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Reconciliation of Level 3 fair value measurement

(₹ in Lakhs)

Particulars	As at 01-Apr-18	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at 31-Mar-19
Investments in Preference Shares	786.09	(6.19)	-	-	-	779.90

(₹ in Lakhs)

Particulars	As at 01-Apr-17	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at 31-Mar-18
Investments in Preference Shares	1,724.67	(7.71)		(930.87)		786.09
Investments in Equity Instruments	14.77		-	(14.77)	-	-

Sensitivity analysis of Level 3 financial instruments measured at fair value on a recurring basis

(₹ in lakhs)

Particulars		2019		2018	
		Increase	Decrease	Increase	Decrease
Investment in unquoted preference shares					
a)	Company Specific Risk Premium (CSRP) 100 bps increase in CSRP-2019 leads to a 4.2 % decrease in the concluded fair value. 100 bps decrease in CSRP leads to a 4.8 % increase in the concluded fair value. Company Specific Risk Premium (CSRP) 100 bps increase in CSRP-2018 leads to a 2.7 % decrease in the concluded fair value 100 bps decrease in CSRP leads to a 5.9 % increase in the concluded fair value.	37.44	(32.76)	21.22	(46.38)
(b)	Long Term Growth Rate (LTGR) 100 bps increase in LTGR-2019 leads an increase of 2.1 % in the concluded fair value 100 bps decrease in LTGR leads to 1.9 % decrease in the concluded fair value. Long Term Growth Rate (LTGR) 100 bps increase in LTGR-2018 leads an increase of 2.1 % in the concluded fair value 100 bps decrease in LTGR leads to 1.9 % decrease in the concluded fair value.	16.38	(14.82)	16.51	(14.94)

C. Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Schedules forming part of Balance Sheet and Profit and Loss Account

Financial instruments measured at fair value

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity instruments (Classified as level 2)	The equity instruments have been fair valued based on prices that are quoted by counterparties while entering into agreements to buy and sell these shares.	Not Applicable	Not Applicable
Investment in mutual funds	The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable
Investment in Venture funds	The fair values of investments in venture capital funds is based on the net asset value ('NAV') as stated by the issuers of these venture capital fund units	Not Applicable	Not Applicable
Investment in equity instruments (Classified as level 3)	The fair values of Investments in these equity instruments is based on estimated sale value as on the balance sheet date.	Not Applicable	Not Applicable
Investment in preference shares (Classified as level 3)	The fair value is determined using generally accepted pricing models based on discounted cash flow	Interest rates to discount future cash flow, financial Projections, terminal growth rate, risk premium, Net Realisable Value of the assets/liabilities and other appropriate multiples	Significant increase/ decrease in the discount factor, financial projections, growth rate, risk premium, NRV of assets/liabilities etc. would entail corresponding change in the valuation of equity shares.
Investment in debentures and preference shares (Classified as level 2)	The fair values have been calculated using the discounted cash flow approach discounted at a rate which include yield curves and interest spreads available in public domain	Not Applicable	Not Applicable

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate.
Security Deposits	For security deposits, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Transfers between Level 1 and Level 2

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during FY 2018-19.

Schedules forming part of Balance Sheet and Profit and Loss Account

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

E. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A) Market Risk

(i) Price Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the equity prices and other market changes that affect market risk sensitive instruments. The Company is exposed to equity and derivative price risk which arises from companies trading in these securities.

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2019	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	2,192.39	(2,192.39)
Mutual funds (1%)	250.63	(250.63)
Venture funds (1%)	1.93	(1.93)
Debt securities (1%)	783.26	(783.26)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	(2.56)	2.56
	3,225.65	**(3,225.65)**

(₹ in lakhs)

Particulars	Year Ended 31-Mar-2018	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	1,154.56	(1,154.56)
Mutual funds (1%)	198.08	(198.08)
Venture funds (1%)	2.37	(2.37)
Debt securities (1%)	789.09	(789.09)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	(2.48)	2.48
	2,141.62	**(2,141.62)**

Schedules forming part of Balance Sheet and Profit and Loss Account

(ii) Interest Risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

A) Market Risk

(iii) Currency Risk

The company undertakes transactions denominated in foreign currency which are subject to risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

Exposure to currency risk

The carrying amounts of foreign currency denominated financial assets and liabilities are as follows: -

(₹ in lakhs)

Particulars	As at 31-Mar-19			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	168.24		25.03	23.48
	168.24	-	25.03	23.48
Financial liabilities				
Payable	232.14	0.72		
	232.14	**0.72**	**-**	

(₹ in lakhs)

Particulars	As at 31-Mar-18			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	103.34		40.41	43.74
	103.34		40.41	43.74
Financial liabilities				
Payable	213.21		-	
	213.21		**-**	

(₹ in lakhs)

Particulars	As at 1-Apr-17			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	47.61			2.68
	47.61		-	2.68
Financial liabilities				
Payable	244.27			
	244.27		**-**	

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below foreign currencies as at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the functional currency of the Company (INR).

(₹ in lakhs)

Effect in INR	Year Ended 31-Mar-2019			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	(0.64)	0.64	(0.42)	0.42
EUR1	0.25	(0.25)	0.16	(0.16)
JPY100	-	-	-	-
GBP1	0.23	(0.23)	0.15	(0.15)
SG	(0.01)	0.01	(0.00)	0.00
	(0.17)	**0.17**	**(0.11)**	**0.11**

(₹ in lakhs)

Effect in INR	Year Ended 31-Mar-2018			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	(1.10)	1.10	(0.71)	0.71
EUR1	0.40	(0.40)	0.26	(0.26)
JPY100	-	-	-	-
GBP1	0.44	(0.44)	0.28	(0.28)
	(0.26)	**0.26**	**(0.17)**	**0.17**

B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

a) The following financial assets represents the maximum credit exposure:

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Loan to employees	112.62	97.80	110.48
Margin Funding	58,216.41	66,647.37	-
Trade Receivables	171,655.09	172,811.54	207,291.27
Cash and Bank Balance	345,873.25	298,746.74	225,674.85
Investments	85,825.87	78,909.42	75,931.91
Other Financial Assets	1,287.80	25,076.20	18,328.03
Total Net	**662,971.04**	**642,289.07**	**527,336.54**

Schedules forming part of Balance Sheet and Profit and Loss Account

Trade Receivables and Margin Funding

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Trade Receivables and Margin Funding									
Neither past due nor impaired									
Past due 1–30 days	-	198,077.26	198,077.26	-	168,060.51	168,060.51	-	195,219.36	195,219.36
Past due 31–60 days	-	10,236.94	10,236.94	-	39,838.82	39,838.82	-	6,598.27	6,598.27
Past due 61–90 days	-	8,747.30	8,747.30	-	22,833.86	22,833.86	-	253.34	253.34
Past due 90 days	-	12,810.00	12,810.00	-	8,725.72	8,725.72	-	5,220.30	5,220.30
Loss allowance	-	(2,551.17)	(2,551.17)	-	(2,345.62)	(2,345.62)	-	(2,628.15)	(2,628.15)
Carrying Amount	**-**	**227,320.33**	**227,320.33**	**-**	**237,113.29**	**237,113.29**	**-**	**204,663.12**	**204,663.12**
Loan to Employees									
Current	112.62	-	112.62	97.80	-	97.80	110.48	-	110.48
Past due 1–30 days	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-
Loss allowance	(0.73)	-	(0.73)	(0.64)	-	(0.64)	(0.72)	-	(0.72)
Carrying Amount	**111.89**	**-**	**111.89**	**97.16**	**-**	**97.16**	**109.76**	**-**	**109.76**
Other Financial Assets									
Current	1,287.80	-	1,287.80	25,076.20	-	25,076.20	18,328.03	-	18,328.03
Past due 1–30 days	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-
Loss allowance	(2.64)	-	(2.64)	(10.38)	-	(10.38)	(8.28)	-	(8.28)
Carrying Amount	**1,285.16**	**-**	**1,285.16**	**25,065.82**	**-**	**25,065.82**	**18,319.75**	**-**	**18,319.75**

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Cash and Bank Balance									
Current	345,873.25	-	345,873.25	298,746.74	-	298,746.74	225,674.85	-	225,674.85
Past due 1–30 days	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-
Loss allowance	(114.97)	-	(114.97)	(87.54)	-	(87.54)	(76.66)	-	(76.66)
Carrying Amount	**345,758.28**	**-**	**345,758.28**	**298,659.20**	**-**	**298,659.20**	**225,598.19**	**-**	**225,598.19**
Investment at Amortised cost									
Current	7,500.00	-	7,500.00	-	-	-	-	-	-
Past due 1–30 days	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-
Loss allowance	(2.52)	-	(2.52)	-	-	-	-	-	-
Carrying Amount	**7,497.48**	**-**	**7,497.48**	**-**	**-**	**-**	**-**	**-**	**-**

The following table sets out the information about the credit quality of financial assets measured at fair value through other comprehensive income (FVOCI).

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	76,680.38	-	76,680.38	76,732.84	-	76,732.84	72,720.48	-	72,720.48
Past due 1–30 days	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-
Loss allowance	(27.62)	-	(27.62)	(22.08)	-	(22.08)	(25.49)	-	(25.49)
Sub Total	76,652.76	-	76,652.76	76,710.76	-	76,710.76	72,694.99	-	72,694.99
Fair Value Adjustment	1,673.11	-	1,673.11	2,198.66	-	2,198.66	3,236.92	-	3,236.92
Carrying Amount	**78,325.87**	**-**	**78,325.87**	**78,909.42**	**-**	**78,909.42**	**75,931.91**	**-**	**75,931.91**

Schedules forming part of Balance Sheet and Profit and Loss Account

Inputs considered in the ECL model:
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

In assessing the impairment of loan assests under Expected Credit Loss(ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Company categorises loan assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due"

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Company has historic credit loss data to compute ECL.

Assessment of significant increase in credit risk:
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as significant increase in credit risk if on the reporting date, it has been 30 days past due.

Definition of default:
The Company considers a financial instrument defaulted when the counterparty fails to make the contractual payments within 90 days of the due date. This definition of default is determined by considering the business environment in which the company operates and other macro-economic factors. Accordingly the financial assets shall be classified as credit impaired if on the reporting date, it has been 90 days past due.

Policy for write-off:
Receivables which are not recoverable in the opinion of management are written off.

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD)is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

Forward looking information:
The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Schedules forming part of Balance Sheet and Profit and Loss Account

b) Collaterals held and concentrations of credit risk

Collaterals held

The company holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

(₹ in lakhs)

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 31-Mar-19	As at 31-Mar-18	
Trade Receivables and Margin Funding	99.13%	99.50%	Equity Shares

Concentration of credit risk

The Company, in some situations, may be exposed to concentration of credit risk, particularly from some of its larger clients or groups of connected clients. This may arise during the period from recognition of fee income in the income statement and settlement of fees by clients. Very few clients have external credit ratings.

ii. Impairment loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

(₹ in lakhs)

Particulars	Past due 1–30 days	Past due 31–90 days	Past due 90 days and above	Total
Trade Receivables and Margin Funding				
Balance as at April 1, 2017	**1,083.89**	**217.02**	**1,327.23**	**2,628.14**
Net remeasurement of loss allowance	(57.87)	298.76	306.90	547.79
New financial assets originated during the year	223.42	459.83	190.49	873.74
Financial assets that have been derecognised during the period	(913.44)	(88.28)	(385.78)	(1,387.50)
Write off's/write back			(316.55)	(316.55)
Balance as at March 31, 2018	**336.00**	**887.33**	**1,122.29**	**2,345.62**
Net remeasurement of loss allowance	262.83	(340.58)	1,401.97	1,324.22
New financial assets originated during the year	869.00	294.13	274.06	1,437.19
Financial assets that have been derecognised during the period	(187.00)	(480.59)	(291.64)	(959.23)
Write off's/write back			(1,596.62)	(1,596.62)
Balance as at March 31, 2019	**1,280.83**	**360.29**	**910.06**	**2,551.18**

(₹ in lakhs)

Particulars	Cash and Bank Balances	Other financial assets	Loan to Employees	Investments at FVOCI	Investments at Amortised cost
Balance as at April 1, 2017	76.66	8.28	0.72	25.49	-
Net remeasurement of loss allowance	10.88	2.10	(0.08)	(3.41)	-
Balance as at March 31, 2018	87.54	10.38	0.64	22.08	-
Net remeasurement of loss allowance	27.43	(7.74)	0.09	5.54	-
New financial assets originated during the year	-	-	-	-	2.52
Balance as at March 31, 2019	**114.97**	**2.64**	**0.73**	**27.62**	**2.52**

Schedules forming part of Balance Sheet and Profit and Loss Account

C) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Sr No	Particulars	As at 31-Mar-19						
		Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
	Non-derivative financial liabilities							
1	Commercial Papers	136,290.68	136,290.68	136,290.68	-	-		-
2	Trade and other Payables	296,472.46	296,472.46	296,472.46	-	-		-
3	Other Financial Liabilities	7,437.47	7,437.47	4,777.90	-	-		2,659.57
	Carrying Amount	**440,200.61**	**440,200.61**	**437,541.04**	**-**	**-**	**-**	**2,659.57**

Sr No	Particulars	As at 31-Mar-18						
		Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
	Non-derivative financial liabilities							
1	Commercial Papers	212,836.78	212,836.78	212,836.78	-	-		-
2	Trade and other Payables	176,321.40	176,321.40	176,321.40	-	-		-
3	Other Financial Liabilities	13,252.85	13,252.85	10,907.95	-	-		2,344.90
	Carrying Amount	**402,411.03**	**402,411.03**	**400,066.13**	**-**	**-**	**-**	**2,344.90**

Sr No	Particulars	As at 1-Apr-17						
		Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
	Non-derivative financial liabilities							
1	Commercial Papers	86,677.44	86,677.44	86,677.44	-	-		-
2	Trade and other Payables	204,775.69	204,775.69	204,775.69	-	-		-
3	Other Financial Liabilities	5,249.55	5,249.55	3,459.49	-	-		1,790.06
	Carrying Amount	**296,702.68**	**296,702.68**	**294,912.62**	**-**	**-**	**-**	**1,790.06**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 41 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

(₹ in lakhs)

Sr No	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(A)	Liabilities			
	Debt securities - Commercial Papers	136,290.68	212,836.78	86,677.44
	Gross Debt	**136,290.68**	**212,836.78**	**86,677.44**
	Less: Cash and cash Equivalents	2,013.92	10,259.10	11,302.06
	Less - Other Bank Deposits	13,498.59	9,455.83	39,675.01
	Adjusted Net Debt	**120,778.17**	**193,121.85**	**35,700.37**
	Total Equity	399,869.59	358,008.85	308,233.76
	Adjusted Net debt to equity ratio	0.30	0.54	0.12

NOTE: 42 TRANSITION TO IND AS

For the purposes of reporting as set out in Note 1, Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the "transition date").

In preparing the opening Ind AS balance sheet, Company have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables. On transition, Company has not revised the estimates previously made under IGAAP except where required by Ind AS.

(a) Reconciliation of Total equity

(₹ in lakhs)

Particulars	Footnote No.	As at 31-Mar-18	As at 1-Apr-17
Total equity as per IGAAP (Previous GAAP)		352,689.83	299,594.78
Summary of Ind AS adjustments			
Amortisation of upfront processing Fees/Transaction cost on borrowing	ix	14.11	7.11
Fair value measurement of investments	i	5,776.47	9,223.54
Valuation of Security Deposits	v	(8.87)	(5.80)
Reversal of lease straight lining	xi	-	45.97
Accounting for share based payment - SAR's	ii	(0.99)	1.08
Accounting for share based payment - ESOP's	iii	-	-
Amortisation of Fees	x	(141.36)	(109.00)
Claw Back of Mutual Fund and Insurance Commission	viii	(16.54)	(6.85)
Impairment on financial instruments / Trade receivables	iv	579.68	726.48
Income tax impact	vi	(883.48)	(1,243.54)
Total Ind AS adjustments		**5,319.02**	**8,638.99**
Total equity as per Ind AS		**358,008.85**	**308,233.77**

Schedules forming part of Balance Sheet and Profit and Loss Account

(b) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Footnote No.	As at 31-Mar-18
Total Profit as per IGAAP for the year ended 31 March, 2018		53,095.05
Fair value measurement of investments	i	(2,403.42)
Valuation of Security Deposits	v	(3.07)
Reversal of lease straight lining	xi	(45.97)
Accounting for share based payment - ESOP's	iii	(803.24)
Accounting for share based payment - SAR's	ii	(2.07)
Amortisation of Fees	x	(32.36)
Amortisation of Fees and Claw Back of Mutual Fund and Insurance Commission	viii	(9.69)
Amortisation of upfront processing Fees/Transaction cost on borrowing	ix	7.00
Impairment on financial instruments / Trade receivables	iv	(143.39)
Remeasurements on defined benefit liability	vii	117.65
Income tax impact	vi	82.34
Total Ind AS adjustments		**(3,236.22)**
Net Profit After Tax as per Ind AS		**49,858.83**
Remeasurements of the defined benefit plans (net of tax ₹ 41.11 lakhs)		(76.54)
Debt Instruments through Other Comprehensive Income (net of tax ₹ 236.62 lakhs)		(810.44)
Other comprehensive income (Net of tax)		(886.98)
Total comprehensive income for the year ended 31 March, 2018 as per Ind AS		**48,971.85**

Notes to the reconciliation:

(i) Fair value measurement of investments

Under Previous GAAP, the Company had accounted for long term investments at cost less provision for diminution, other than temporary, in the value of investments and current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and changes in fair value are recognised either in profit and loss account or other comprehensive income based on investment classified as FVTPL or FVOCI respectively. Under Previous GAAP, the stock in trade was valued using basket approach. Only unrealised losses were accounted. Under Ind-AS stock in trade has been classified as Investment at FVTPL and recognised at fair value.

(ii) Accounting for share based payment -SAR’s (Stock Appreciation Rights)

Under Previous GAAP, the intrinsic value of SAR’s is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the statement of profit and loss. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. Accordingly under Ind AS, the company has remeasured the stock options outstanding at the end of the year at the fair value.

(iii) Accounting for share based payment- ESOP’s (Employee Stock Option Plans)

The parent company (Kotak Mahindra Bank Limited) has granted equity settled options to the employees of the subsidiary (Company). Under previous GAAP, the Company was not required to account for these share based payment arrangement. Under Ind AS, the Company has opted to account for the unvested options as on the date of transition. Accordingly, the grant date fair value of equity-settled options have been recognised as an expense over the vesting period in the statement of profit or loss with a corresponding increase being made to the capital contribution to the Company by the Parent. Hence, there is no change in equity.

Schedules forming part of Balance Sheet and Profit and Loss Account

(iv) Impairment on financial instruments / Trade receivables

Under Previous GAAP, provision/write off on receivables is done based on the ageing of the receivables and evaluation done by the management. Under Ind AS, the Company has recognised impairment loss on loans based on the expected credit loss model as required by Ind AS 109.

(v) Valuation of Security Deposits

As per Ind AS 109, all financial assets and liabilities are required to be measured at their respective fair value. The interest free refundable security deposits are financial assets and are thus required to be measured at present value using an appropriate discount rate at the time of entering into lease agreement. The difference between the fair value and the transaction price has been recognised as prepaid rent and is amortised over the period of the lease on straight-line basis. Subsequently, these security deposits have been measured at amortised cost and the resultant interest is accounted as finance income.

(vi) Income tax impact

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments arising out of adoption of Ind AS. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(vii) Remeasurements on defined benefit liability:

Both under Previous GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, actuarial gains and losses were recognised in the Statement of profit or loss, however under Ind AS all actuarial gains and losses are recognised in other comprehensive income.

(viii) Amortisation of Fees and Claw Back of Mutual Fund and Insurance Commission:

Under Previous GAAP, commission related to distribution of mutual fund and insurance products has been recognised upfront. Under Ind AS, such commission income has been deferred to the extent of estimated claw back period.

(ix) Amortisation of upfront processing Fees/Transaction cost on borrowing:

Under Previous GAAP, transaction costs incurred on borrowings which are now classified at Amortised cost has been recognised upfront in the statement of profit and loss. Under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method.

(X) Amortisation of Fees:

Under Previous GAAP, fees related to portfolio management services were recognized upfront. However, as per Ind AS 115 the income on contract with customers needs to be recognized over the period of performance obligation. Hence, this income is amortised over the period of the contract.

(xi) Reversal of lease straight lining

Under previous GAAP, the operating lease rentals was recognised as an expense on a straight line basis over the lease period. Under Ind AS, where the escalation rate is in line with the general inflation rate, straight lining of lease rentals is not required.

(c) Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 43 SEGMENT REPORTING

(i) The Company is organised into the following segments which has been determined based on the information reviewed by the Company's Chief Operating Decision Maker (CODM). The accounting policies consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

"Broking" – comprising of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and services rendered in connection with primary market subscription/ mobilisation and distribution of life insurance product. It also includes interest on 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.

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

(ii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Segment assets and segment liabilities represent assets and liabilities in respective segments.

(₹ in lakhs)

Sr. No.	Particulars	Broking	Trading and Principal Investments	Unallocated	Total
1)	Segment Revenue				
	Income from external customers	152,576.62	19,757.16	223.60	172,557.38
	Previous year	(148,391.08)	(23,098.29)	(367.96)	(171,857.33)
2)	Profit Before Tax	45,390.21	18,219.01	(367.27)	63,241.95
	Previous year	(55,569.26)	(20,598.64)	(111.07)	(76,278.97)
3)	Tax Expenses	-	-	22,482.38	22,482.38
	Previous year	-	-	(26,420.14)	(26,420.14)
4)	Profit for the year	-	-	-	40,759.57
	Previous year	-	-	-	(49,858.83)
5)	Capital Employed				
i.	Segment assets	489,748.70	352,731.45	5,371.16	847,851.31
	Previous year	(445,251.76)	(319,863.60)	(3,437.18)	(768,552.54)
ii.	Segment liabilities	404,783.94	39,568.22	3,629.56	447,981.72
	Previous year	(360,255.60)	(47,802.42)	(2,485.67)	(410,543.69)

Details of segment Assets and Liabilities as on 01st April 2017

(₹ in lakhs)

Sr. No.	Particulars	Broking	Trading and Principal Investments	Unallocated	Total
i.	Segment assets	355,929.84	251,851.95	5,320.22	613,102.01
ii.	Segment liabilities	294,115.46	8,773.56	1,979.23	304,868.25

(iii) Segment assets comprise mainly of Property, Plant and Equipment, investments, trade and other receivables, cash and bank balances, accrued income receivable and advances. Unallocated assets represent mainly deferred tax asset, loans and advances. Segment liabilities include loans, trade and other payables and sundry creditors. Unallocated liabilities mainly include deferred tax, employee benefits, outstanding expenses and statutory liabilities.

(iv) The company does not have a secondary segment. Accordingly, disclosures required under Ind AS 108 are not applicable.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 44 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
Revenue from contracts with customers	106,774.69	109,964.20
Interest income	53,986.17	48,220.16
Dividend income	595.06	560.29
Net gain on fair value changes	9,443.30	10,719.97
Other income	1,758.16	2,392.71
Total Revenue	**172,557.38**	**171,857.33**
Impairment loss on receivables and contract assets	2,356.43	2,163.86

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition:

(₹ in Lakhs)

Particulars	Broking		Unallocated		Total	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Primary Geographical Market						
Within India	104,173.80	107,769.62	223.60	367.96	104,397.40	108,137.58
Outside India	2,377.29	1,826.62	-	-	2,377.29	1,826.62
Total	**106,551.09**	**109,596.24**	**223.60**	**367.96**	**106,774.69**	**109,964.20**
Major service lines						
Brokerage and Commission	86,807.36	90,528.75	-	-	86,807.36	90,528.75
Fees	19,743.73	19,067.49	223.60	367.96	19,967.33	19,435.45
Total	**106,551.09**	**109,596.24**	**223.60**	**367.96**	**106,774.69**	**109,964.20**
Timing of revenue recognition						
At a point in time	86,807.36	90,528.75	-	-	86,807.36	90,528.75
Over a period of time	19,743.73	19,067.49	223.60	367.96	19,967.33	19,435.45
Total	**106,551.09**	**109,596.24**	**223.60**	**367.96**	**106,774.69**	**109,964.20**

The Company derives its revenue from the transfer of services over time from its major service line. This is consistent with revenue that is disclosed for each reportable segment under Ind AS 108

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Receivables	169,298.66	170,647.68

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE: 45 DETAILS OF CSR EXPENDITURE

Details of CSR expenditure

a) Gross amount required to be spent by the Company during the year for CSR is ₹ 1103.36 Lakhs (Previous year ₹ 888.31 Lakhs)

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ending on 31st March, 2019:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	422.00	-	422.00
(c) Amount spent during the year ending on 31st March, 2018:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	150.00	-	150.00

NOTE: 46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(₹ in lakhs)

Sr No	Particulars	As at 31st March 2019			As at 31st March 2018			As at 01st April 2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS									
(1)	**Financial assets**									
(a)	Cash and cash equivalents	2,013.92	-	2,013.92	10,259.10	-	10,259.10	11,302.06	-	11,302.06
(b)	Bank Balance other than Cash and cash equivalents	343,744.36	-	343,744.36	288,400.10	-	288,400.10	214,296.13	-	214,296.13
(c)	Derivative financial instruments	224.39	-	224.39	407.00	-	407.00	271.40	-	271.40
(d)	Receivables	169,298.66	-	169,298.66	170,647.68	-	170,647.68	204,663.12	-	204,663.12
(e)	Loans	58,114.55	19.01	58,133.56	66,543.52	19.25	66,562.77	85.55	24.21	109.76
(f)	Investments	136,447.69	121,997.52	258,445.21	78,322.70	116,112.77	194,435.47	32,305.35	117,532.13	149,837.48
(g)	Other Financial assets	-	1,285.16	1,285.16	-	25,065.82	25,065.82	72.25	18,247.50	18,319.75
	Total Financial assets	**709,843.57**	**123,301.69**	**833,145.26**	**614,580.10**	**141,197.84**	**755,777.94**	**462,995.86**	**135,803.84**	**598,799.70**
(2)	**Non-financial assets**									
(a)	Current Tax assets (Net)	-	1,369.01	1,369.01	-	1,138.41	1,138.41	-	4,090.94	4,090.94
(b)	Deferred Tax assets (Net)	-	612.82	612.82	-	-	-	-	-	-
(c)	Investment Property	-	2,187.87	2,187.87	-	2,233.16	2,233.16	-	2,278.45	2,278.45
(d)	Property, Plant and Equipment	-	5,649.83	5,649.83	-	5,455.34	5,455.34	-	5,107.64	5,107.64
(e)	Other intangible assets	-	480.26	480.26	-	826.85	826.85	-	748.21	748.21
(f)	Other Non-Financial assets	3,735.21	671.05	4,406.26	2,780.01	340.83	3,120.84	1,407.00	670.07	2,077.07
	Total Non-financial assets	**3,735.21**	**10,970.84**	**14,706.05**	**2,780.01**	**9,994.59**	**12,774.60**	**1,407.00**	**12,895.31**	**14,302.31**
	Total Assets	**713,578.78**	**134,272.53**	**847,851.31**	**617,360.11**	**151,192.43**	**768,552.54**	**464,402.86**	**148,699.15**	**613,102.01**

Schedules forming part of Balance Sheet and Profit and Loss Account

(₹ in lakhs)

Sr No	Particulars	As at 31st March 2019			As at 31st March 2018			As at 01st April 2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	LIABILITIES AND EQUITY									
	LIABILITIES									
(1)	**Financial liabilities**									
(a)	Derivative financial instruments	352.27	-	352.27	530.85	-	530.85	247.37	-	247.37
(b)	Payables	296,472.46	-	296,472.46	176,321.40	-	176,321.40	204,775.69	-	204,775.69
(c)	Debt securities	136,290.68	-	136,290.68	212,836.78	-	212,836.78	86,677.44	-	86,677.44
(d)	Other Financial liabilities	4,777.89	2,659.58	7,437.47	10,907.95	2,344.90	13,252.85	3,459.49	1,790.06	5,249.55
	Total Financial liabilities	**437,893.30**	**2,659.58**	**440,552.88**	**400,596.98**	**2,344.90**	**402,941.88**	**295,159.99**	**1,790.06**	**296,950.05**
(2)	**Non-Financial liabilities**									
(a)	Current tax liabilities (Net)	1,584.17	-	1,584.17	2,259.33	-	2,259.33	2,215.59	-	2,215.59
(b)	Provisions	1,984.66	1,529.21	3,513.87	1,918.07	1,275.63	3,193.70	1,286.37	1,331.08	2,617.45
(c)	Deferred tax liabilities (Net)	-	-	-	-	263.57	263.57	-	714.51	714.51
(d)	Other non-financial liabilities	2,330.80	-	2,330.80	1,885.21	-	1,885.21	2,370.65	-	2,370.65
	Total Non-financial liabilities	**5,899.63**	**1,529.21**	**7,428.84**	**6,062.61**	**1,539.20**	**7,601.81**	**5,872.61**	**2,045.59**	**7,918.20**
	Total Liabilities (A)	**443,792.93**	**4,188.79**	**447,981.72**	**406,659.59**	**3,884.10**	**410,543.69**	**301,032.60**	**3,835.65**	**304,868.25**
(3)	**EQUITY**									
(a)	Equity Share Capital	-	160.00	160.00	-	160.00	160.00	-	160.00	160.00
(b)	Other equity	-	399,709.59	399,709.59	-	357,848.85	357,848.85	-	308,073.76	308,073.76
	Total Equity (B)	**-**	**399,869.59**	**399,869.59**	**-**	**358,008.85**	**358,008.85**	**-**	**308,233.76**	**308,233.76**
	Total Liabilities and equity (A+B)	**443,792.93**	**404,058.38**	**847,851.31**	**406,659.59**	**361,892.95**	**768,552.54**	**301,032.60**	**312,069.41**	**613,102.01**

NOTE:47 DISCLOSURE U/S. 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-	-
Principal	-	-	-
Interest	-	-	-
The amounts of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED 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.

For and on behalf of the Board of Directors

Narayan.S.A
Chairman

Kamlesh Rao
Managing Director

Ravi Iyer
Managing Director

Shripal Shah
Senior Executive
Vice President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 30th May, 2019

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