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change

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Directors' Report

To the Members of

Kotak Securities Limited

Your Directors have pleasure in presenting the 29th Annual Report on the business and operation of the your Company together with the audited accounts for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The key highlights of the Audited Financial Statements of the Company for the financial year ended March 31, 2023 and a comparison with the previous financial year ended March 31, 2022 are summarized below:

Particulars	Amount (in ₹ Lakhs)	
	Standalone	
	As on 31 st March, 2023	As on 31 st March, 2022
Total Income	283,978.13	298,716.62
Profit/ (Loss) before Interest, Tax and Depreciation	144,763.37	161,839.81
Finance Cost	26,946.41	17,433.57
Profit/ (Loss) before Depreciation and Tax	117,816.96	144,406.24
Depreciation	6,274.06	4,154.65
Profit/ (Loss) before Tax	111,542.90	140,251.59
Tax Expense (including deferred tax credit)	27,609.02	35,308.62
Net Profit/ (Loss)	83,933.88	104,942.97
Other Comprehensive Income	(2,243.01)	(848.39)
Total Comprehensive Income	81,690.87	104,094.58
Balance carried to Balance Sheet	81,690.87	104,094.58
Earning Per Share (Basic & Diluted)	5,245.87	6,558.94

FINANCIAL HIGHLIGHT AND PERFORMANCE OF THE COMPANY

During the financial year ended March 31, 2023, your Company's total income is ₹2,839.78 crores as against ₹ 2,987.17 crores in the previous year. The profit before tax stood at ₹ 1,115.43 crores for the year as against ₹ 1,402.52 crores for the previous financial year. The net provision for tax (current tax and deferred tax) for the year is ₹ 276.09 crores (previous year ₹ 353.09 crores). After making provision for income tax, the net profit for the year ended March 31, 2023 is ₹839.34 crores as against ₹ 1,049.43 crores for the previous financial year.

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 Companies Act, 2013 (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 (enclosed herewith as Annexure A) which forms part of the Financial Statements.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹300/- per equity share (previous year ₹ 300/- per share) for the year ended March 31, 2023. This would entail a payout of ₹48,00,00,000/- (Rupees Forty Eight Crores). The dividend would be paid to all the shareholders, whose names appear in the Register of members / beneficial holders list on the date of Annual General Meeting.

SHARE CAPITAL

Authorised Share Capital

The Authorised Share Capital of the Company is ₹16,00,00,000/- (Rupees Sixteen Crore only) divided into 1,60,00,000 (One Crore Sixty Lakh) Equity Shares of ₹10 /- each.

Issued, Subscribed and Paid-up Share Capital

During the Financial Year 2022-23, there was no further issue of equity share capital.

The Issued, Subscribed & Paid-up Share Capital as on March 31, 2023 is ₹1,60,00,000/- (Rupees One Crore Sixty Lakh Only) divided into 16,00,000 (Sixteen Lakh) Equity Shares of ₹10 /- each.

Annual Report 2022-23

HOLDING

- The Company is subsidiary company of Kotak Mahindra Bank Limited (KMBL).

SUBSIDIARY

- Kotak Mahindra Financial Services Limited (KMFSL).

ASSOCIATES

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

FY23 REVIEW AND FUTURE OUTLOOK**Market**

The Indian economy continues to do well on a relative basis versus other major economies. The World Bank forecasts India's GDP to grow at 6.9% in FY23 and 6.6% in FY24. This in sharp contrast to the likely slowdown in other large economies. The IMF predicts global GDP growth to slow down to 2.9% in 2023 from 3.4% in 2022 and 6% in 2021.

India's macro-economic outlook has improved considerably in the past few months with (1) decline in inflation from high levels of 1H FY23 and (2) improvement in current account/balance of payments on lower crude oil prices and higher software and non-software services exports. The RBI expects FY24 average CPI inflation at 5.1% versus FY23 average CPI inflation of 6.7%. India's 10-year G-sec yields have declined to around 7% currently from a peak of 7.62% in June 2022. KIE economics research expects India's FY24 CAD at 1.6% assuming crude oil at US\$90/bbl versus 1.8% in FY23 and 1.2% in FY22. India's CAD had gone up to as much as 3.7% in 2Q FY23 and 2.1% in 1Q FY23 on higher crude oil prices after the outbreak of the Russia-Ukraine war.

India's medium-term outlook is quite solid due to a combination of (1) favourable demographics, (2) supportive government policy on domestic manufacturing (PLI schemes), (3) increasing shift of global supply chains to India in the case of both manufacturing and services and (4) strong pickup in both household and private sector investment in the past two years, which bodes well for a possible multi-year investment cycle in India.

The Indian equity market delivered a small negative return in FY23 with (1) high equity market valuations, (2) rising domestic and global interest rates on high inflation and (3) high global geopolitical uncertainty acting as headwinds to the market. The Nifty-50 Index was trading at about 23X 1-year forward earnings at the end of FY2022, significantly higher than the past five-year historical average. The RBI raised its policy rate to 6.5% currently from 4% in May 2022 and the US Fed raised its Federal Funds Rate to 5-5.25% currently from near zero in March 2022. The outbreak of the Russia-Ukraine war in February 2022 and rising China-US technology and trade tensions resulted in weak sentiment for riskier asset classes such as equities.

The outlook for the Indian equity market looks better for FY24. The valuations of the Indian market have become more reasonable with the market trading in a narrow band for the past 20 months. The Nifty-50 Index trades at 20X FY24 earnings and around 17X FY25 earnings. We expect net profits of the Nifty-50 to grow 13% in FY24 and 15% in FY25 after 11.5% in FY23 (based on the companies that have reported so far).

The Rupee and other major currencies witnessed huge volatility in FY23 due to strength in the US Dollar for most of the year as the US Fed raised rates ahead of other central banks followed by weakness in the US Dollar as other central banks also raised interest rates and closed the interest rate gap with the US. The Indian Rupee depreciated 7.7% in FY23 against the US Dollar. However, the Rupee appears to be under-valued on REER terms suggesting that the Rupee may see stability over the next few months.

Key risks:

We see the following risks to our constructive view on the Indian economy and market—(1) weaker-than-expected recovery in the Indian economy and sharper-than-expected slowdown in the US leading to earnings downgrades, (2) higher-than-expected inflation stemming from weak monsoons, (3) higher-than-expected interest domestic and global interest rates on higher-than-expected inflation and (4) increase in geopolitical tensions.

Source: KIE reports and based on the interviews of Mr. Nilesh Shah and Mr. Sanjeev Prasad.

AWARDS AND RECOGNITIONS

- 'Neo' wins Finnoviti Award by Banking Frontiers

Held by – Banking Frontiers, Award ceremony was held on May 05, 2022.

Link - <https://bankingfrontiers.com/bfevents/finnotechno2022/index.php/technoviti-2022/>

- 2nd Annual NBFC and FinTech Excellence Awards 2023 – Best Analytics Driven Project

Held by Quantic India, Award ceremony was held on March 03, 2023.

Link - <https://nbfcandfintechawards.com/>

OPERATIONS

The financial year FY 2022-23 witnessed a volume growth in equity derivative, currency and commodity segment, and volume de-growth in cash market segment over FY 2021-22. Market average daily volumes (excluding proprietary segment) increased from ₹ 3,552,488 crore for FY 2021-22 to ₹ 7,223,485 crore for FY 2022-23. Consequently, the KS volumes also have gone up in derivatives segment while they have reduced in cash segment.

Kotak Securities market share (excluding proprietary segment) for FY 2022-23 changed to:

- 5.48% compared to 2.69% in FY 2021-22 for NSE options segment
- 10.60% compared to 9.03% in FY 2021-22 for NSE futures segment
- 11.58% compared to 7.71% in FY 2021-22 for currency segment
- 9.92% compared to 5.06% in FY 2021-22 for commodity segment
- 10.55% compared to 10.58% in FY 2021-22 for cash segment

Note: Market share excludes BSE derivatives and proprietary segment volumes

Retail Segment

Our digital only plans Trade Free and Trade Free Youth, collectively accounted for 47.94% of overall KS acquisition, and 79.17% of derivatives market volume in FY23. Due to the continued thrust on digital, mobile trading application of KS, registered a massive adoption resulting in 423% growth in the trading volume through the Kotak Securities Mobile apps.

Multiple initiatives were adopted to improve KS value proposition. Provided below are the key initiatives:

- As part of Startup Investments division, we acqui-hired FundExpert for scaling the IFA-led distribution business, and invested in fintech startup BankSathi for deepening financial inclusion in India and invested in fintech startup Multipl for promoting savings mindset amongst millennials and first time investors. Post acqui-hiring TradeGyani in FY22, we set up an Innovation Lab and within 10 months we launched the first product - StockIt, a platform for basket investing
- Simplified account opening journey for Kotak Bank customers by reducing steps from 11 to 6
- Deployed Pay off analyser – a feature to analyse positions across different price, time and risk based scenarios for Equity and Currency derivatives
- Launched Self-service platform to help customers close basic requests quickly and digitally with no human intervention required. Journey improvement across services has helped us fulfil 78.30% of customer service requests digitally for the period Q4 FY 2022-23
- New platform launched for statements, where all our customers can consume the statements in a user friendly, responsive & adaptive UI
- We devised a social media strategy with a fresh content approach that educates, engages and promotes the brand as opposed to only highlighting product and service benefits. Our growth in our key platforms has been as follows:
 - o Instagram followers grew by 13.8% from 40.5k to 46.1k
 - o YouTube subscribers increased by 46.8% from 85.1k to 126k
 - o LinkedIn followers grew by 23.4% from 119k to 146.6k

As on 31st March, 2023, KS had a national footprint of 1,443 branches, franchisees and referral co-ordinators across 372 cities in India serving its customers. The cumulative number of registered authorised persons stood at 2,141 for NSE and 1,671 for BSE.

Institutional Equities

The Institutional Equities division of your Company continues to maintain its leadership position in both the cash equities and derivatives segments. Market volumes in cash equities for institutional segment remained flat in FY23 compared to FY22 whereas the derivatives segment saw a growth of 88% mainly due to increase in Index options category. Your Company was able to hold on to the yields across client segments despite pressure from clients to reduce commission rates.

Primary market activity in relation to IPOs and QIPs saw a large decline compared to the last financial year. However, your Company continued to maintain its leadership position in primary market distribution. Your Company saw very strong growth in execution of block trades during the year. The Institutional Equities research team has added new sectors and companies to its list of coverage. It plans to expand its coverage further. The Company has been upgrading its IT infrastructure by investing in latest technology across segments to improve operational efficiency and maintain its leadership position in the institutional segment.

Primary Market

With high interest rates, there was a dip in the number of IPOs, and an increase in debt offerings by companies. In terms of Buyback & OFS, there were small changes in numbers. There was a major downfall in the number of SGBs issued by RBI, from 10 to just 4.

In the current financial year, we were associated with the distribution of 31 Public Offer Issues, 25 Debt Public Offer Issues, 16 Offers for Sale, 132 Buybacks, 4 Sovereign Gold Bond issues and 1 ETF.

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:

a) Credit & Market Risk:

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.

➤ Key Risk:

- Market volatility could lead to mark to market losses and diminution in the underlying collaterals used as margin by the clients.
- Risk of non-realization of debits under MTF & Debtor books due to fall in the collateral value.
- Risk of unhedged positions for intermittent period in the Prop arbitrage book and risk due to market volatility in Delta positions.
- Risk of diminution in the value of investments made by KSL in various instruments such as Bonds, NCDs, Special Situation Fund and Mutual Funds etc.

➤ Mitigant & Measures:

- Exposure to the clients are being given on the basis of margin available with us in the form of cash & securities, wherein higher % of haircuts vis-à-vis exchange haircuts are being applied on securities provided as margin. Dynamic risk monitoring mechanism, which is a continuous process, is in place.
- Board limits are prescribed, which get reviewed quarterly by the Audit Committee & Board. Approval matrix has been defined in the Credit Policy for various exposure limits going up to the Board.
- There is a dedicated Prop risk management team, which continuously monitors the unhedged position and take appropriate steps.
- End of the day, VaR is calculated and the report gets circulated to Senior Mmanagement with respect to maximum possible risk the firm can incur.
- Limits are set at Terminal, Dealer & Order level to mitigate the risk of erroneous orders. Additionally, orders in client accounts are being executed on the basis of available margin.
- Proactive and real-time risk management, backed by available technology and prudent risk management framework help tide over the market volatility without any material impact.

b) Liquidity Risk:

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.

➤ Key Risk:

- Risk of Dealer executing a very large trade without informing treasury team. This may result in margin shortfall of funds / collaterals at Exchange level and trading terminals going into Risk reduction mode.
- Risk of not being able to meet short-term financial obligations.

➤ Mitigant & Measures:

- Sufficient collaterals with exchanges are maintained to ensure that at all times the terminals operate below RMC approved thresholds (i.e. 10% below Risk Reduction / Square-off mode).
- All front office teams have been informed that prior approval of Treasury head is required for any order with margin requirement of ₹ 100 Crores or more.
- Creditors MIS is prepared to ensure surplus liquidity is available over and above creditors money.
- Liquidity is monitored on a daily basis in form of LCR (Liquidity Coverage Ratio) wherein outflows and inflows are stressed upto coming 30 days.
- Detailed liquidity stress testing in the form of liquidity data is being sent to rating agencies, wherein liquid assets are mapped against known liabilities (Majorly CP repayment) for up to next 6 months and a positive liquidity profile is always maintained.

- Unutilized Bank lines of approx. ₹1,500 crores to meet any sudden liquidity issue due to volatility in the market.

c) **Operational Risk:**

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.

➤ **Key Risk:**

- Loss resulting from inadequate or failed procedures, systems or policies.

➤ **Mitigant & Measures:**

- Automation and Digitalization are adopted and is being promoted for all critical processes such as; Account Opening, Pay-in & Pay-out and DP Operations. Manual processes are controlled with dual checks i.e. Maker & Checker.
- Emphasis is made on modifying existing workflows, business rules, systems and policies, which helps in keeping operational risk management practices optimized and up to date.
- Internal Audit team periodically monitors the activities from controls and compliance perspective.

d) **Regulatory and Compliance Risk:**

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.

➤ **Key Risk:**

- Failure to comply with regulations / circulars exposes the organization to risk of regulatory action.

➤ **Mitigant & Measures:**

- Compliance function ensures all business functions / operations are timely updated with the regulatory requirements involving changes / improvements in existing processes.
- Half-yearly SEBI prescribed Internal Audits are carried out by an independent external CA firm.
- Compliance team does a review and send monthly updates on the compliance status of various circulars / regulations / guidelines issued by SEBI / Exchanges / other regulators to the Management.

e) **Reputational Risk:**

Your Company manages, the reputational risk through well-defined code of conduct policies as well as robust controls in client trading which are reviewed on periodic basis.

➤ **Key Risk:**

- Reputation risk refers to the potential for negative publicity, public perception or uncontrollable events to have adverse impact on KSL reputation, thereby affecting revenue.
- Risk of transactions in client account without consent from clients.
- Clients trading in F&O segment without having appropriate knowledge could lead to losses and client complaint.

➤ **Mitigant & Measures:**

- Code of conduct for all the employee is in place and appropriate action is taken against employees who breach the code of conduct policy. Additionally, awareness e-mails are sent to all the employees on regular basis.
- In trinity accounts, for funds transfer through dealers, we have put in a process whereby a link goes to client on registered email id & mobile number. Client can either approve or reject the request.
- Instant SMS is sent by KSL to client immediately after the trade is executed. Exchange also sends email and SMS to clients at the end of day whenever a trade is executed in client account. Contract notes are also send to clients by KSL.
- In order to ascertain if client is well conversant, calls on various occasions are made to clients such as; client trading through dealer 1st time in F&O segment, client incurring loss of ₹5 lacs and in multiples thereon etc.
- Relationship Managers continuously connect with their clients to iron out any issues / concerns.

f) Technology Risk:

Your Company has a well-defined Business Continuity Plan (BCP) and Cyber Security Policy to safeguard the Organizations assets and data.

➤ **Key Risk:**

- Disruption to the activity of an organization causing financial risk due to failure of its IT systems.
- Threat of Cyber Attacks causing technology failure to disrupt business.

➤ **Mitigant & Measures:**

- Information technology risk management framework for safeguarding IT assets and data; such as Data Security, Application Security, Server & End Point, Network Security and Perimeter Security are in place.
- Business Continuity Plan (BCP), Disaster Recovery Plan (DR), and Cyber Security Policy is in place for protecting the organizations cyberspace against cyber attacks, threats and vulnerabilities.
- Continuous Risk Assessment, Security Awareness and Audits are in place.

g) Economic Environment Risk:

Your Company has a well-diversified business expansion plan to overcome business loss due to economic risk factors.

➤ **Key Risk:**

- Economic risk centers on macroeconomic circumstances that may result in significant loss for a business. These conditions include inflation, exchange rates and other decisions that may adversely affect profits.

➤ **Mitigant & Measures:**

- Organizations respond to economic risks by diversifying their client base so that revenue is not solely reliant on one segment or geographic region.
- Caution is maintained w.r.t business expansion. Expansion is more through digital mode.

h) Earnings 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.

➤ **Key Risk:**

- Impact on earnings due to risk of high volatility in the market.
- Stiff competition from new age brokers resulting in reduction of brokerage rates.
- Impact of change in interest rates on MTF book.

➤ **Mitigant & Measures:**

- Introduction of new products and enhancement of existing products.
- Financial results are reviewed by the MD on a monthly basis and also reviewed by the Board on a quarterly basis.
- Timely review of any change in interest rates is done by Risk Head along with COO and MD. Based on such review, it is decided whether to pass on the effect of such change in interest rates to clients.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Auditors of the Company for the inefficiency or inadequacy of such controls.

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- i. Travelling ₹ 6.97 Lakhs (Previous Year ₹ 0.03 Lakhs);
- ii. Membership and Subscription ₹ 210.79 Lakhs (Previous Year ₹ 136.53 Lakhs);
- iii. Business Promotion ₹ 26.47 Lakhs (Previous Year ₹ 22.62 Lakhs);
- iv. Common Establishment Expenses - Reimbursement ₹ 1,086.94 Lakhs (Previous Year ₹ 1,108.55 Lakhs);
- v. Communication ₹ 1.62 Lakhs (Previous Year ₹ 0.67 Lakhs);
- vi. Data Processing Charges ₹ 31.25 Lakhs (Previous Year ₹ 48.32 Lakhs);
- vii. Professional Fees ₹ 541.99 Lakhs (Previous Year ₹ 933.37 Lakhs);
- viii. Sub-brokerage / Referral Fees ₹ 2,578.13 Lakhs (Previous Year ₹ 1,981.16 Lakhs);
- ix. Connectivity Expenses ₹ 684.63 Lakhs (Previous year ₹ 482.43 Lakhs);
- x. Software Expenses ₹ 957.06 Lakhs (Previous year : ₹ 63.76 lakhs);
- xi. Other Expenses ₹ 1.21 Lakhs (Previous year ₹ 0.92 Lakhs);
- xii. Staff welfare ₹ 21.67 Lakhs (Previous year ₹ Nil Lakhs).

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

- i. Advisory Fees ₹ 3,852.35 Lakhs (Previous Year ₹ 2,371.15 Lakhs);
- ii. Placement Fees ₹ Nil Lakhs (Previous year : ₹ 76.13 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. All Related Party Transactions are placed before the Audit Committee for approval.

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

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts under clause no. 37.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company 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 year under review, the Company has not given any loans, guarantees pursuant to Section 186 of the Companies Act, 2013 other than Margin Funding to its own customers for capital market purchases in the ordinary course of business. The particulars of investments made by the Company under Section 186 of the Companies Act, 2013 at the close of the financial year 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.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of health care including preventive health, education and livelihood enhancement. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility

Policy) Rules, 2014, the 'Annual Report on CSR activities' in the format prescribed under the said Rules is as Annexure B.

WORK FROM HOME POLICY

Due to disruption created by COVID - 19 global pandemic and keeping in mind interest of employees, your Company had successfully implemented Work From Home policy. Company had put in place necessary checks and controls.

ANNUAL RETURN

Pursuant to Section 134 (3) (a) Annual Return as provided under sub-section (3) of Section 92 is available on the web-site of the Company at <https://www.kotaksecurities.com/disclaimer/important-policies/>.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Our 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 <https://www.kotaksecurities.com/disclaimer/important-policies/> - Policies and regular communication is made for sustained awareness.

During the year under review 4 case had been reported to the Whistle Blower Committee. The same have been reported to the Chairman of the Audit Committee.

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) AND ADDITIONAL DISCLOSURE

The Company has made no application or no proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year.

There were no settlement made by the Company with Banks and Financial Institutions requiring disclosure under clause (x) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules 2014.

According to the provisions mentioned under the Companies CSR (Policy) Amendment Rule 2021, Head of the Finance certified that funds of CSR have been utilised for the purpose and manner as approved by it.

COMMERCIAL PAPAERS

The short-term liquidity requirement of the Company is met primarily through Commercial Paper ('CP') being commercially most optimal. The Company also continues to list its CPs on BSE Limited ('BSE') on an on-going basis.

DIRECTORS, KEY MANAGERIAL PERSONNEL AND COMPLIANCE OFFICER

I. DIRECTORS

The composition of the Board is in accordance with Section 149 of the Companies Act, 2013 ("the Act") with an appropriate combination of Executive, Non-executive and Independent Directors. The Board of the Company comprises of five Directors, consisting of two Independent Directors (including one Women Director), two Non-Executive Director and a Managing Director as on March 31, 2023 who bring in a wide range of skills and experience to the Board.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its Meeting held on March 22, 2023, approved the appointment of Mr. Pratik Gupta as an Additional Director designated as a Whole-time Director of the Company for the period of five years, subject to the approval of the Exchanges, and had also approved the terms and conditions of his appointment.

Further, the Company had received the approvals for the said appointment of Mr. Gupta from all the Exchanges on May 12, 2023. Accordingly, Mr. Gupta's appointment as an Additional Director designated as a Whole-time Director is effective from May 12, 2023. The regularization and appointment of Mr. Pratik Gupta as a Whole-time Director will be placed in the 29th Annual General Meeting ("AGM") of the Shareholders of the Company.

The Board of Directors of the Company:

DIN	Name of the Director	Designation
00003633	Ms. Falguni Sanjay Nayar	Director
00007404	Mr. Narayan Subramaniam Ayypankav	Director
00031794	Mr. Krishnan Venkat Subramanian	Director
00493177	Mr. Noshir Rustom Dastur	Director
02234625	Mr. Jaideep Hansraj	Managing Director
02262794	Mr. Pratik Gupta	Additional Director w.e.f. May 12, 2023

II. RETIREMENT BY ROTATION

In compliance with the provisions of the Act, Mr. Krishnan Venkat Subramanian will retire by rotation at the ensuing AGM and be eligible to offer himself for re-appointment.

III. KEY MANAGERIAL PERSONNEL

As on March 31, 2023, Mr. Jaideep Hansraj - Managing Director and Mr. Vikas Tarekar - Company Secretary are the KMP of the Company in terms of Section 2 (51) of the Act.

IV. CHANGE IN KMP

During the Financial Year 2022-23, Mr. Deepak Shenoy resigned as Company Secretary of Company and Mr. Vikas Tarekar was appointed as Company Secretary of the Company.

V. CHANGE IN COMPLIANCE OFFICER

During the Financial Year 2022-23 Mr. Sanjayu Nair and Mr. Atul Agrawal resigned as Compliance Officer of the Company and Mr. Sandeep Gupta was appointed as the Compliance Officer of the Company.

VI. 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.

VII. 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.

VIII. MEETINGS OF BOARD

During the year under review, 12 (Twelve) Board Meetings were held. The meetings were held on April 28, 2022, May 24, 2022, May 30, 2022, July 19, 2022, September 5, 2022, September 29, 2022, October 18, 2022, November 25, 2022, January 6, 2023, January 18, 2023, February 27, 2023 and March 22, 2023. The required quorum was present at all the above meetings.

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 members.

During the year the Committee met 8 (eight) times. The meetings of the Committee were held on April 28, 2022, May 30, 2022, June 13, 2022, July 19, 2022, October 18, 2022, January 6, 2023, January 18, 2023 and March 22, 2023.

- **Nomination and Remuneration Committee**

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

During the year the Committee met 4 (four) times. The meetings of the Committee were held on May 9, 2022, September 5, 2022, February 27, 2023 and March 22, 2023.

- **Corporate Social Responsibility Committee**

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

During the year the Committee met 4 (four) times. The meetings of the Committee were held on April 12, 2022, August 4, 2022, November 18, 2022 and February 23, 2023.

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

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian and Mr. Jaideep Hansraj as its members.

During the year all the decisions of the Committee were taken through Circular Resolutions.

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

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian, Mr. Jaideep Hansraj and Mr. Jaimin Bhatt as its members.

During the year the Committee met 3 (three) times. The meetings of the Committee were held on April 20, 2022, November 4, 2022 and March 20, 2023.

- **Risk Management Committee (Board)**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Jaideep Hansraj as members.

During the year the Committee met 2 (two) times. The meetings of the Committee were held on June 20, 2022 and December 9, 2022.

- **Conflict of Interest Committee**

The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Jaideep Hansraj as member. No meetings were held during the year.

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.

The website link for Policy is as below:

<https://www.kotaksecurities.com/disclaimer/important-policies/>

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 30, 2023 separately through Audio Visual Means to transact the business as mentioned in the Schedule IV of the Companies Act, 2013 without the attendance of Non-Independent Directors and Members of Management. Independent Directors exchanged their views before conducting performance evaluation of the Board, Committees and Executive Director.

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.

AUDITORS

- **Statutory 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 28th Annual general Meeting of the Company held on June 27, 2022 on a remuneration as may be fixed by the Board of Directors. Accordingly M/s. Deloitte Haskins & Sell LLP will continue as Statutory Auditors for the financial year 2023-24.

- **Secretarial Auditor:**

The Board had appointed M/s. Parikh & Associates, Company Secretaries (Firm Registration No. P1988MH009800), to carry out Secretarial Audit under the provisions of the Section 204 of the Companies Act, 2013. The report of the Secretarial is enclosed in Form MR-3 to this Report as Annexure C.

EXPLANATIONS/ COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARK IN THE REPORTS:

Auditors Report

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2023. The Notes on the financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. Further, there was no fraud reported by the auditors under sub-section (12) of Section 143 of the Act, therefore no comment by the Board thereon is required.

Secretarial Audit Report

There were no qualifications, reservations or adverse comments made by the Secretarial Auditor of the Company in their audit report for the FY 2022-23.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors of the Company confirm that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2023, 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 March 31, 2023 and of the profit of your Company for the financial year ended March 31, 2023;
- (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 Companies Act, 2013 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.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

As the Company does not carry out any manufacturing activities and its operations are not energy intensive and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

The Company actively engages itself towards technology advancements to serve its customers better and to create a technology-friendly environment for its employees who in turn help them to manage the processes efficiently and economically.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the Company's Customers and Bankers, for their continued support and faith reposed in the Company and for all the co-operation and support received from the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited, NSE Clearing Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies during the year under review.

For and on behalf of the Board of Directors

Narayan SA
Chairman
(DIN No. 00007404)

Place : Mumbai
Date : May 24, 2023

General Shareholder Information

- A. Annual General Meeting: The 29th Annual General Meeting of KSL will be held on June 27, 2023. The venue for the 29th Annual General Meeting shall be the registered office of the Company i.e. Kotak Securities Limited, 27 BKC, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051. For details, please refer to the Notice of this AGM.
- B. The final dividend so declared shall be paid to those members whose names appear in the Register of Members of the Company as on June 27, 2023, being the date fixed for eligibility for the purpose of the final dividend.
- C. Registrar and Transfer Agent (for Commercial Papers):

The address for communication and contact details of the Registrar and Transfer Agent are as under:

Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai – 400 083 Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060
e-mail id: benpos@linkintime.co.in / website: <https://linkintime.co.in>.

- D. Listing: Commercial Papers (CP) issued by the Company on BSE Limited. Since the Company is exclusively CP listed Company, the Company does not fall within the purview of definition of 'Listed' Company under the Companies Act, 2013 and accordingly, disclosure requirements applicable to listed Company under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not be applicable to the Company.
- E. Present Shareholding Structure (as on March 31, 2023)

Authorised Capital	No. Of Shares	Amount
Equity	60,00,000	600,00,000
Preference	10,00,000	10,00,00,000
Other Classified Shares	--	--
Issued , subscribed & Paid Up Capital		
Equity	16,00,000	1,60,00,000
Preference	--	--
Other Classified Shares	--	--

- F. List of Shareholders as on 31st March, 2023.

Sr. No.	Name	Number of Shares Held (Equity)	Face Value per Share	Amount Paid up	% age of Total	Nationality
1	Kotak Mahindra Bank Limited (KMBL)	1,199,985	10	11,999,850	74.99906	Indian Entity
2	Mr. T.V. Raghunath Jointly with Kotak Mahindra Bank Limited.	1	10	10	0.00006	Indian
3	Mr. Krishnan Venkat Subra Manian Jointly with Kotak Mahindra Bank Limited	1	10	10	0.00006	Indian
4	Mr. Dipak Gupta Jointly with Kotak Mahindra Bank Limited	1	10	10	0.00006	Indian
5	Ms. Shanti Ekambaram Jointly with Kotak Mahindra Bank Limited	1	10	10	0.00006	Indian
6	Mr. Jaimin Bhatt Jointly with Kotak Mahindra Bank Limited	1	10	10	0.00006	Indian
7	Kotak Mahindra Capital Company Limited (KMCC)	400,010	10	4,000,100	25.00063	Indian Entity
Total		1,600,000		16,000,000	100.00	

G. Dematerialization of shares

All the shares are physical form pursuant to exemption provided to Wholly Owned Subsidiary Companies under Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014.

H. Address for Correspondence

The Secretarial Department, Kotak Securities Limited, Bldg No 21, Infinity Park, 8th Floor Kotak Infinity, AK Vaidya Marg, opposite Film City Road, Mumbai, Maharashtra 400097. Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to Secretarial Department or through email to ks.compliance@kotak.com

I. General Body Meetings

Location, date and time of the general body meetings held in the last three years till March 31, 2023

Type of General Meeting	Date	Time	Venue	Special Resolution Passed
Extra Ordinary General Meeting	June 23, 2020	2.30 PM	Through Audio Visual Means. Deemed location: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Yes. To consider re-appointment of Independent Director
Annual General Meeting	August 10, 2020	3.00 PM	Through Audio Visual Means. Deemed location: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	-
Extra Ordinary General Meeting	February 10, 2021	4.00 PM	Through Audio Visual Means. Deemed location: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Yes, to increase the investment limits of the Company.
Annual General Meeting	June 30, 2021	10.00 AM	Through Audio Visual Means. Deemed location: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Yes, to increase the investment limits of the Company.
Extra Ordinary General Meeting	April 5, 2021	4.00 PM	Through Audio Visual Means. Deemed location: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Yes, to increase the investment limits of the Company.
Annual General Meeting	June 27, 2022	3.30 PM	27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Yes, to increase the investment and borrowing limits of the Company.

ANNEXURE A

FORM NO. AOC.1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Sl. No.	
2.	Name of the subsidiary	Kotak Mahindra Financial Services Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD & Exchange rate – INR 82.2169
5.	Share capital	84,455,743
6.	Reserves & surplus	(48,735,298)
7.	Total assets	64,522,048
8.	Total Liabilities	28,801,603
9.	Investments	NIL
10.	Turnover	29,596,557
11.	Profit before taxation	(30,952,399)
12.	Provision for taxation	NIL
13.	Profit after taxation	(30,952,399)
14.	Proposed Dividend	NA
15.	% of shareholding	73.36%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year.: NIL

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Kotak Mahindra Prime Ltd	Kotak Infrastructure Debt Fund Ltd
1. Latest audited Balance Sheet Date	16 th May 2023	17 th May 2023
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	17,12,600	9,30,00,000
Amount of Investment in Associates/Joint Venture	₹ 27,080.69 Lakhs	₹ 9,300 Lakhs
Extend of Holding %	49%	30%
3. Description of how there is significant influence	Existing Holding of more than 20%	Existing Holding of more than 20%
4. Reason why the associate/joint venture is not consolidated	Only have significant influence but not control	Only have significant influence but not control
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 5,01,681.27 Lakhs	₹ 14,220.43 Lakhs
6. Profit / Loss for the year		
i. Considered in Consolidation	₹ 49,412.38 Lakhs	₹ 906.60 Lakhs
i. Not Considered in Consolidation		

Companies and Joint Ventures

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis—

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023 which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis—

There were no material contracts or arrangements or transactions for the year ended March 31, 2023. Thus this disclosure is not applicable.

For and on behalf of the Board of Directors

Narayan SA
Chairman
(DIN No. 00007404)

Place : Mumbai

Date : May 24, 2023

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, Kotak Securities Limited ("KSL") has constituted a Board Corporate Social Responsibility Committee ("CSR Committee"). The CSR Committee consists of the following directors:

- 1) Mr. Narayan SA
- 2) Mr. Noshir Dastur
- 3) Mr. Jaideep Hansraj

KSL has undertaken socially impactful CSR Projects for welfare and sustainable development of population at large, in accordance with the guidelines and robust mechanism led out in the CSR Policy. KSL has collaborated with implementing agencies across to implement projects in the CSR focus areas defined under its CSR Policy viz. Education & Livelihood and Healthcare.

KSL's CSR Policy is available on the Company website: [CSRPolicyofKS.pdf \(kotaksecurities.com\)](#)

KSL's CSR Projects and CSR Project Expenditure for FY 2022-23 are compliant with the CSR mandate as specified under section 134, section 135 read with Schedule VII of the Companies Act, along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with Government of India's notifications issued from time-to-time.

The 2% of Average net profit of the Company for FY 2022-23 as per Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time is ₹ 21.0956 crore. After setting-off ₹ 0.09 crore from the excess CSR spent of the previous FY 2021-22, the total CSR obligation for FY 2022-23 is ₹ 21.0056 crore.

For the period April 1, 2022 to March 31, 2023 under KSL's spend on CSR Project Expenditure is ₹ 8.67 crore of FY 2022-23, amount spent in CSR Administrative Overheads is ₹ 0.37 crore of FY 2022-23 and the amount spent on Impact assessment is ₹ 0.06 crore. In addition an amount of ₹ 12.47 crore which is on account of the unutilised CSR Project Expenditure of ongoing CSR Projects of FY 2022-23 has been transferred to the Kotak Securities Limited Unspent CSR Account FY 2022-23 in April 2023. KSL is committed to utilise the unutilised CSR Project Expenditure of ongoing CSR Projects Expenditure FY 2022-23 of ₹ 12.47 crore within the stipulated three years i.e. from April 1, 2023 to March 31, 2026, which is towards completion of the Board approved Ongoing CSR Projects which have been initiated in FY 2022-23 and continue to be under implementation as on March 31, 2023.

Together with the CSR Project Spend, Impact assessment and administrative expenditure and Unspent CSR amount, the total CSR Expenditure for FY 2022-23 is ₹ 21.23 crore which is an excess of ₹ 0.14 crore over the total CSR obligation for FY 2022-23. The excess CSR spend of ₹ 0.14 crore for FY 2022-23 is being carried forward to succeeding financial years and would be available for set-off in those financial years. The details are more particularly described in section on Annual Report on CSR activities for FY 2022-23.

KSL also maintains the following Unspent CSR Bank accounts pertaining to funds earmarked for its Ongoing CSR Projects for the previous financial years :-

(₹ Crore)

Name of the Unspent account	Ongoing CSR Projects to which Unspent account relates	Amount transferred to Unspent account in respective financial years	Amount disbursed from unspent accounts till date	Balance as on 31 st March, 2023
Kotak Securities Limited Unspent CSR account FY 2020-21	FY 2020-21	7.18	2.94	4.24
Kotak Securities Limited Unspent CSR account FY 2021-22	FY 2021-22	7.33	6.50	0.83

KSL is committed the amount available in Unspent accounts towards completion of Board approved Ongoing CSR Projects within the stipulated time limit specified under the Act. The details of the same are more particularly described in the section on Annual Report on CSR activities for FY 2022-23 annexed to this Report.

A brief outline of the CSR Policy, the composition of the CSR Committee, CSR Project Spends during the year under review, has been provided in detail in the Annual Report on CSR activities annexed to this Annual Report for FY 2022-23

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed Under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1 BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Kotak Securities Limited (KSL) recognises the immense opportunity it has to bring about a positive change in the lives of the communities through its business operations and corporate social responsibility (CSR) initiatives.

KSL aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs). This policy sets out KSL's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

While ensuring that its CSR Policy, projects and programmes are compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time, KSL also endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions and last but not the least, United Nation's Sustainable Development Goals (SDGs).

2 COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of the Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Narayan S. A.	Chairman	4	4
2	Mr. Noshir Dastur	Independent Director	4	4
3	Mr. Jaideep Hansraj	Managing Director	4	4

- 3** Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - https://www.kotaksecurities.com/uploads/CSR_Policyof_KS_dec5d88dec.pdf
- 4** Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: https://www.kotaksecurities.com/uploads/KSL_CSR_Projects_Executive_Summary_KEF_Pratham_e72fcf38dc.pdf
- Project Parvarish (KEF): https://www.kotaksecurities.com/uploads/Kotak_Parvarish_Report_2_1b7e6bc66e.pdf
 - Pratham Education Foundation: https://www.kotaksecurities.com/uploads/SSV_KSL_Consolidated_IA_Report_Education_21_22_236d50937c.pdf
- 5**
- | | |
|--|--------------|
| (a) Average net profit of the company as per section 135(5) (In ₹ Lakh) | 1,05,477.81 |
| (b) Two percent of average net profit of the company as per section 135(5) (In ₹ Lakh) | 2,109.56 |
| (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | 0 |
| (d) Amount required to be set off for the financial year, if any | 900000 |
| (e) Total CSR obligation for the financial year[(b) + (c) – (d)] | 21,00,56,000 |
- 6**
- | | |
|--|-------------|
| (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | 8,25,69,330 |
| (b) Amount spent in Administrative Overheads | 37,22,533 |
| (c) Amount spent on Impact Assessment, if applicable | 4,03,088 |
| (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. | 8,66,94,951 |
- (e) CSR amount spent or unspent for the financial year:**

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
86694951	12,47,46,862	4/25/2023	NA	NIL	NA

(f) Excess amount of set-off, if any

Sl. No.	Particular	Amount (₹ lakh.)
(i)	Two percent of average net profit of the company as per section 135(5) of the Act	2109.56
(ii)	Total amount spent for the Financial Year	2123.42**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.86*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13.86*

*Includes unspent amount transferred to unspent CSR account and administrative overheads

* Including set off amount of previous financial year

** Includes CSR Overheads admin expenditure also

7 Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ lakh)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ lakh)	Amount spent in the reporting Financial Year (in ₹ lakh). *	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹) *
					Name of the Fund	Amount (in ₹)	Date of Transfer	
1	FY 2021 - 22	733.18	82.69	650.37	NA	NA	NA	8268632
2	FY 2020 - 21	718	423.62	249	NA	NA	NA	42361915
TOTAL								

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

If Yes, enter the number of capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

A. Capital assets created or acquired through through Corporate Social Responsibility Projects of FY 2022-23 : Yes

B. Capital assets created/ acquired from Unspent Corporate Social responsibility spent of financial year 2021-22 : Yes

(iii) Capital assets created/ acquired from Unspent Corporate Social responsibility spent of financial year 2020-21: Yes

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ lakh)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Laptops	400088	FY 2022-23	1.03	CSR00001785	Kotak Education Foundation	1 st Floor, North Side, Ujagar Compound, Sunder Baug, Opp. Deonar Bus Depot, Off Sion-Trombay Road, Deonar, Mumbai - 400 088
2	Scanner, Water Purifier, Cupboard, Laptops	440012 422001 800013 500063	FY 2022-23	3.54	CSR00000258	Pratham Education Foundation	Y.B. Chavan Centre, 4 th Floor, Gen. J. Bhosale Marg, Nariman Point, Mumbai- 400021
3	Modular Hyperbaric Oxygen Therapy Chamber	530053	FY 2022-23	80	CSR00001287	Tata Memorial Centre	At Tata Memorial Hospital Dr. E Borges Road, Parel, Mumbai 400012
4	Endoscopy Diagnostic Equipment	400012 410210	FY 2021-22	150	CSR00001287	Tata Memorial Centre	At Tata Memorial Hospital Dr. E Borges Road, Parel, Mumbai 400012
Total				234.57*			

*The ownership of these assets lies with the Implementing Agencies.

8. (a) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act. – Not Applicable

8 (b) Details of CSR amount spent against ongoing projects for the financial year

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation	(11) Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration No
1	Traffic Police Healthcare	Promoting healthcare including preventive healthcare	Maharashtra	Mumbai	1 st May 2022 - 31 st March 2024	10634000	10634000	0	Through NGO / Agency	Tata Memorial Hospital	CSR00001287
2	Kona Kona Shiksha	Promoting education and employment enhancing vocation skills	Pan India	-	10 th Oct 2022 - 31 st March 2024	37,400,000	22124140	15,275,860	Through NGO / Agency	National Institute of Securities Markets (NISM)	CSR00005643
3	Pediatric Oncology	Promoting healthcare including preventive healthcare	Maharashtra	Mumbai	21 st Sept 2022 - 31 st March 2024	35,000,000	6,000,000	29000000	Through NGO / Agency	Tata Memorial Centre - Tata Memorial Hospital	CSR00001287
4	Bone Marrow Transplant	Promoting healthcare including preventive healthcare	Karnataka	Manipal	30 th Sept 2022 - 22 nd Sept 2023	10,000,000	2,500,000	7,500,000	Through NGO / Agency	Manipal Academy of Higher Education	CSR00015389
5	Dental Implant Surgery	Promoting healthcare including preventive healthcare	Maharashtra	Mumbai	24 th Jan 2023 - 31 st Mar 2024	7,000,000	874975	6,125,025	Through NGO / Agency	Tata Memorial Centre - Tata Memorial Hospital	CSR00001287
6	Financial Assistance for Cancer Treatment	Promoting healthcare including preventive healthcare	Maharashtra	Mumbai	1 st Dec 2022 - 31 st Mar 2024	10,000,000	2,572,500	7,427,500	Through NGO / Agency	Madat Charitable Trust	CSR00003926
7	Cancer treatment for Pediatric Oncology	Promoting healthcare including preventive healthcare	Karnataka	Manipal	1 st Dec 2022 - 30 Nov 2024	15,000,000	1,000,000	14000000	Through NGO / Agency	Manipal Academy of Higher Education	CSR00015389
8	HBOT equipment procurement	Promoting healthcare including preventive healthcare	Andhra Pradesh	Vishakhapatnam	1 st Mar 2023 - 28 th Feb 2024	8,000,000	6735715	1,264,285	Through NGO / Agency	Tata Memorial Centre	CSR00001287
9	Financial assistance to children with cancer towards their medical & holistic care	Promoting healthcare including preventive healthcare	West Bengal	Kolkata	1 st Mar 2023 - 31 st Mar 2024	8,300,000	678000	7,622,000	Through NGO / Agency	Cankids..Kidscan	CSR00000341
10	Financial assistance to patients with cancer towards their complete treatment & initial diagnosis	Promoting healthcare including preventive healthcare	UP, Tamil Nadu, Kerala, Maharashtra, Gujarat	Varanasi, Vellore, Thiruvananthapuram, Mumbai, Chiaplun, Adayar, Goraj	1 st Mar 2023 - 31 st Mar 2025	8,000,000	500000	7,500,000	Through NGO / Agency	Indian Cancer Society	CSR00000792
11	Financial assistance to children with cancer towards their complete treatment	Promoting healthcare including preventive healthcare	Pan India		1 st Mar 2023 - 31 st Mar 2025	8,000,000	100000	7,900,000	Through NGO / Agency	Cancer Patients Aid Association	CSR00000926
12	Cataract surgeries	Promoting healthcare including preventive healthcare	Bihar	Mastichak	1 st Mar 2023 - 31 st Mar 2024	5,000,000	2500000	2,500,000	Through NGO / Agency	Yugrishi Shriram Sharma Acharya Charitable Trust (Akhandjyoti)	CSR00000858

(1)	(2)	(3)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration No
13	Maharashtra Security Forces Healthcare	Promoting healthcare including preventive healthcare	Maharashtra	Mumbai	1 st Mar 2023 - 31 st Mar 2024	6,000,000	150000	5,850,000	Through NGO / Agency	Tata Memorial Hospital	CSR00001287
14	Residential facilities to the children undergoing cancer treatment	Promoting healthcare including preventive healthcare	Maharashtra	Navi Mumbai	1 st Mar 2023 - 31 st Mar 2024	8,000,000	300000	7,700,000	Through NGO / Agency	St. Jude India Childcare Centres	CSR00001026
15	Cochlear Implant Surgeries, upgrades and rehabilitative services	Promoting healthcare including preventive healthcare	Pan India	-	1 st March 2023- 31 st March 2024	5000000	100000	4900000	Through NGO / Agency	I Hear Foundation	CSR00016914
TOTAL						181334000	56769330	124564670			

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
			State	District			Name	CSR registration number
1	Angel Xpress Juhu & Malad Learning centre Program	Promoting education and employment enhancing vocation skills	Maharashtra	Mumbai	1700000	Through Agency	Angel Xpress Foundation	CSR00000120
2	Elementary Program	Promoting education and employment enhancing vocation skills	Rajasthan, Andhra Pradesh, Telangana, Maharashtra, Bihar	Jaipur, Vizag, Hyderabad, Nagpur, Nashik, Patna	24,100,000	Through Agency	Pratham Education Foundation	CSR00000258
TOTAL					25800000			

8(d) Amount spent in Administrative Overheads - 37,22,533
8(e) Amount spent on Impact Assessment, if applicable - 4,03,088
8(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - 8,66,94,951
8(g) Excess amount for set off, if any - 13,85,813

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2109.56
(ii)	Total amount spent for the Financial Year	2123.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.86
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13.86

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
			Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 2022 - 23	12,47,46,862	NA	NA	NA	12,47,46,862
2	FY 2021 - 22	7,33,18,005	NA	NA	NA	82,68,632
3	FY 2020 - 21	7,18,00,000	NA	NA	NA	4,23,61,915
TOTAL						

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	3	Project Excel	3 Years	93,400,000	24,900,000	51,038,085	Ongoing
2	KSL202122001	NISM	1 Year	33,054,750	1,784,750	33,054,750	Completed
3	KSL202122002	Kotak Shiksha Nidhi	3 Years	49,000,000	26,623,424	40,735,988	Ongoing
4	KSL202122006	Centre for Social Behaviour & Change (SBC3)	1 Year	2,000,000	1,396,766	1,995,380	Ongoing
5	KSL202122007	Cankids	1 Year	5,200,000	3,806,683	5,200,000	Completed
6	KSL202122008	I Hear Foundation	1 Year	3,500,000	1,732,750	3,500,000	Completed
7	KSL202122009	Tata Memorial Centre	1 Year	15,000,000	15,000,000	15,000,000	Completed
8	KSL202122010	Manipal Academy of Higher Edu	1 Year	10,000,000	7,500,000	10,000,000	Completed
9	KSL202122012	Madat Charitable Trust	1 Year	5,000,000	3,897,500	5,000,000	Completed
10	KSL202122013	Aliyavar Jung National Institute of Speech & Hearing Disabilities (Divyangjan)	1 Year	7,500,000	3,294,750	7,500,000	Completed
TOTAL				223,654,750	89,936,623	173,024,203	

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NIL

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- a) 07.11.2022 Tata Memorial Centre;
b) 16.03.2023 Homi Bhabha Cancer hospital & Research Center (A unit of Tata Memorial Center);
c) 27.12. 2022, 16.01. 2023, 29.03. 2023, 04.02.2023, 02.03.2023 Pratham Education Foundation;
d) 09.03.2022, 14.05.2022, 27.03.2023 Kotak Education Foundation
- 234.57
- a) Tata Memorial Centre
b) Pratham Education Foundation
c) Kotak Education Foundation
d) Homi Bhabha Cancer hospital & Research Center (A unit of Tata Memorial Center)
- Tata Memorial Centre : Endoscopy Diagnostic Equipment
1. Tata Memorial Centre At Tata Memorial Hospital Dr. E Borges Road, Parel, Mumbai 400012
Tata Memorial Centre Advanced Centre for Treatment, Research and Education in Cancer, Kharghar, Navi Mumbai 410210
 2. Pratham Education Foundation Scanner, Water Purifier, Printer, Laptops, Cupboards Y.B. Chavan Centre, 4Th Floor, Gen. J. Bhosale Marg, Nariman Point, Mumbai-400021
 3. Kotak Education Foundation : Laptops Kotak Education Foundation 1st Floor, North Side, Ujagar Compound, Sunder Baug, Opp. Deonar Bus Stop, Off - Sion Trombay Road, Deonar, Mumbai - 400088
 4. Homi Bhabha Cancer hospital & Research Center (A unit of Tata Memorial Center) - Aganampudi, Visakhapatnam - 530053

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

Shripal Shah
Chief Operating Officer

Jaideep Hansraj
Managing Director

Narayan S.A.
Chairman, CSR Committee

In Financial year 2022 – 23, **Kotak Securities Limited** ("your company") supported Seventeen Corporate Social Responsibility (CSR) projects in the several thematic areas of **Education & Livelihood and Healthcare**. These projects have covered various geographical areas of the country by reaching out to the basic-levels of the society.

The details of the projects are mentioned below:

Education & Livelihood

1. Kona Kona Shiksha – In collaboration with National Institute of Securities Market (NISM)

NISM is an education initiative of Securities and Exchange Board of India established in 2006 as a public trust (Registration No. with Charity Commissioner: F-31013(MUM)). NISM carries out a wide range of capacity building activities at various levels aimed at enhancing the quality standards in securities markets. A view about NISM, its Board of Governors, Academic Council, its activities, etc. can be formed by visiting its web site www.nism.ac.in.

Kona Kona Shiksha Program intends to support a financial education for young citizens across various colleges in India, especially in Tier II & Tier III cities.

- The aim is to make the target group aware about various aspects of finance industry in order to have a better understanding of the financial market.
- The program has covered more than 80,000 students of more than 800 colleges in 247 locations of the Country.

2. Elementary Program - In collaboration with Pratham Education Foundation.

Pratham Education Foundation was set up in the year 1994. It is working in the field of Education and focuses to create a learning ecosystem where children have foundational skills, supported by the involvement of stakeholders such as mothers, older siblings, and village youth by leveraging the potential of both government as well as community actors to contribute to children's learning.

Elementary Program program aims to strengthen the foundational skills in language and math for children in primary grades.

- More than 15,000 children reached out in the various locations of the Country including, Visakhapatnam (Andhra Pradesh), Hyderabad (Telangana), Jaipur (Rajasthan), Patna (Bihar), Nagpur (Maharashtra), Nashik (Maharashtra),).

3. Angel Xpress Juhu & Malad Learning Program centres – In collaboration with Angel Xpress Foundation

Angel Xpress' mission is to create a society that is inclusive, equal, and fair, and to bridge the social and economic divide by mentoring and empowering children from marginalised communities with an educational foundation from the primary level until they are gainfully employed.

Under the Angel Xpress Juhu & Malad Learning Program centres, your Company has supported a learning Centres (Juhu & Malad Mumbai) for students from underprivileged communities. It focuses on improving the academic performance of the students & increasing their interest in academics through a mentoring & tutoring model.

About 200 such students have benefitted through this project.

Healthcare

Your Company has been largely supporting several prominent organizations in Cancer & Cochlear Implant for needy patients:

For Treatment of Cancer

The projects for treatment of cancers aims widely at holistic cancer care & quality treatment of patients as well their family members.

Your Company has collaborated with the below organisations to implement the project:

4. Financial assistance to children with cancer towards their medical & holistic care – In collaboration with Cankids KidsCan

CanKids KidsCan is a National Not for profit organization founded in 2004 under the Indian Cancer Society (Delhi), Cankids enables better standards of treatment and care by partnering with cancer centers, assessing needs and filling gaps on an ongoing basis, through funding support, providing social support staff, research and impact assessment.

Under this project, children with cancer shall be given financial assistance for treatment & holistic care for the patients in Kolkata, West Bengal at Institute of Child Health and Nil Ratan Sircar Medical College.

5. Tata Memorial Centre - Tata Memorial Hospital (Vizag Centre)

KSL collaborated with TMC for procurement of Hyperbaric Oxygen Treatment Chamber (HBOT) equipment at Homi Bhabha Cancer Hospital & Research Centre, Visakhapatnam to support to improve the quality of life of patients after recovering from cancer & lessen various symptoms while on treatment.

6. Tata Memorial Hospital (Traffic Police Personnel Healthcare Project)

KSL and Tata Memorial Hospital partnered to provide preventive healthcare facilities to Mumbai Traffic Police Personnel (Target-5000 Traffic Police Personnel). Prevention, control and early detection of common cancers and detection of NCDs (obesity, diabetes, hypertension) among the Traffic Police personnels in Mumbai. Approx. 3,000 traffic police personnel covered under this project till FY 2023.

7. Tata Memorial Hospital (Maharashtra Security Force Personnel Healthcare Project)

In March 2023, KSL partnered with Tata Memorial Hospital to provide preventive healthcare facilities to about 4000 Maharashtra Security Force (MSF) personnels deputed in Mumbai, for Prevention, control and early detection of common cancers and detection of NCDs (obesity, diabetes, hypertension).

8. Cancer treatment for Pediatric Oncology – In collaboration with Manipal Academy of Higher Education – Kasturba Medical Hospital

The Manipal Academy of Higher Education Trust (MAHE) is a registered Trust dated 19th May, 1993 Kasturba Medical College, Manipal (KMC) is one of the divisions under MAHE. KMC is a medical college established by Dr. T.M.A. Pai on 30th June 1953. KMC is recognized consistently within top 10 medical colleges in India. Kasturba Hospital is the teaching hospital of KMC and has 2032 beds. The hospital caters to a large number of patients from low socio-economic background from Karnataka, Kerala and Goa.

This project aims at supporting underprivileged children for undergoing their cancer treatment. Through this project about 13 patients have been helped in FY23.

9. Bone Marrow Transplant for Pediatric Oncology – In collaboration with Manipal Academy of Higher Education – Kasturba Medical Hospital

The Manipal Academy of Higher Education Trust (MAHE) is a registered Trust dated 19th May, 1993 Kasturba Medical College, Manipal (KMC) is one of the divisions under MAHE. KMC is a medical college established by Dr. T.M.A. Pai on 30th June 1953. KMC is recognized consistently within top 10 medical colleges in India. Kasturba Hospital is the teaching hospital of KMC and has 2032 beds. The hospital caters to a large number of patients from low socio-economic background from Karnataka, Kerala and Goa.

This project aims at supporting underprivileged children for undergoing their cancer treatment. Through this project about 3 patients have been helped in FY23.

10. Tata Memorial Centre - Tata Memorial Hospital (Paediatric Cancer Project):

KSL partnered with TMC for supporting the treatment of children with cancer. Under this project children shall be supported through adoption funds – which shall support the complete treatment & emergency seed funds which shall help the needy patients in undergoing initial diagnosis & treatment.

In FY23, about 47 patients have been helped through this project.

11. Financial Assistance for Cancer Treatment Program – In collaboration with Madat Charitable Trust:

Madat Trust is a public Charitable Trust, formed with the primary aim of providing health care and education to the needy. Cope with Cancer is the flagship project of Madat Charitable Trust.

The Program focuses on surgeries for patients of Head & Neck Oncology from underprivileged families. About 17 patients have been helped in FY23.

12. Tata Memorial Centre - Tata Memorial Hospital (Dental Implant Project) KSL Partnered with Tata Memorial Hospital to improve quality of life of 70 Head & Neck Oncology patients by providing them support through Early Dental Implant Surgeries.

13. Indian Cancer Society (ICS)

KSL partnered with ICS to support Cancer Cure Fund (CCF), which provides financial assistance to patients for completing their treatment & Dr. Arun Kurkure Initiation and Treatment Fund (AKITF) which supports patients with initial diagnostic & treatment at ICS's empanelled hospitals

14. Cancer Patients Aid Association (CPAA)

KSL partnered with CPAA to support complete treatment of about 18 Paediatric Patients from underprivileged communities.

15. St. Jude's India Childcare

KSL partnered with St. Jude's India to provide safe and hygienic residential facility to pediatric patients (and their immediate family) undergoing treatment at Tata Memorial Hospital (Parel, Mumbai & Kharghar, Navi Mumbai) and these HAH will act as an extension of the Hospital Cancer Centre improving the overall standards of treatment.

This project is supporting the operation cost of 2 residential centres (12 bedded each). Their support covering the accommodation needs, nutritional needs, counselling; transport to and from the hospitals; recreation and education and skill development programs for the parents.

For Cataract Surgeries:

16. Yugrishi Shriram Sharma Charitable Trust (Akhand Jyoti Eye Hospital)

KSL partnered with this NGO to support the surgeries of curable cataract bilateral blindness. In the March 2023, 22 Camps conducted in the rural areas of Bihar in which 681 patients supported.

For Cochlear Implant

Your Company has collaborated with various organizations to support cochlear implant surgeries & upgrading of existing implant machines amongst underprivileged children, such as:

17. Cochlear Implant Surgeries, upgrades and rehabilitative services – In collaboration with I Hear Foundation

I Hear Foundation is a registered non – profit organization, established in 2002, is working for individuals with hearing loss, especially those from the economically weaker sections of society.

KSL has re partnered with them in Mar23, to support 13 such patients under Cochlear implant, upgrades & post operative rehabilitation training category.

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2023 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (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 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. Necessary approvals of Reserve Bank of India/Foreign Investment Promotion Board/Ministry of Industry/Finance wherever required were obtained. (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) 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; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period) and
- (vi) Other laws applicable specifically to the Company namely:-
 - SEBI (Stock Brokers) Regulations, 1992
 - SEBI (Depositories and Participants) Regulations, 2018
 - Depositories (Appeal to the Central Government) Rules, 1998
 - SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007
 - SEBI (Foreign Portfolio Investors) Regulations, 2019 (Not applicable to the Company during the audit period)
 - SEBI (Intermediaries) Regulations, 2008
 - SEBI (Investor Protection and Education Fund) Regulations, 2009 (Not applicable to the Company during the audit period)
 - SEBI (KYC (Know Your Client) Registration Agency) Regulations, 2011

- SEBI (Mutual Funds) Regulations, 1996 (Not applicable to the Company during the audit period)
- SEBI (Portfolio Managers) Regulations, 2020
- SEBI (Research Analysts) Regulations, 2014
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003
- SEBI's master circular on AML/ CFT and AML rules and Bye-Law and Circulars issued by said regulators from time to time.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable pursuant to listing of Commercial Papers.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings are generally complied.
- The Listing Agreement entered into by the Company with BSE Limited with respect to Non Convertible Debentures issued by the Company read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the audit period)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. The Company has spent an amount of Rs. 8.66 crores towards Corporate Social Responsibility (CSR) as against an amount of Rs. 21.09 crores to be spent during the year. There is an unspent amount of Rs. 12.47 crores during the year which has been transferred to the unspent account in April, 2023. The unspent amount of CSR for the FY 2020-2021 and FY 2021-2022, as on March 31, 2023 is Rs. 4.24 crores and Rs. 0.83 crores respectively.

We further report that:

During the year, National Commodity & Derivatives Exchange Limited (NCDEX), The Multi Commodity Exchange of India Limited (MCX) had issued advise/warning/deficiency letters or levied penalty or imposed charges on the Company for discrepancies / deviations observed in inspections. As per information and replies received from the Company, the advice / warning / deficiency letters /charges / penalty imposed as Broker / Depository Participant are not material in nature and does not affect the financial position and day to day operations of the Company.

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are 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 etc.

We further report that during the audit period, the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- The Company has issued Commercial Papers aggregating to Rs. 17,700 crores during the year and redeemed Commercial Papers aggregating to Rs. 19,100 crores during the financial year 2022-2023. The Commercial Papers are listed on BSE Limited.

For Parikh & Associates
Company Secretaries

Jeenal Jain

Partner

ACS No: 43855

CP No: 21246

UDIN: A043855E000368696

PR No.: 1129/2021

Place : Mumbai

Date : 24th May, 2023

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

'ANNEXURE A'

To,
The Members
Kotak Securities Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

For Parikh & Associates
Company Secretaries

Jeenal Jain
Partner

ACS No: 43855
CP No: 21246

UDIN: A043855E000368696
PR No.: 1129/2021

Place : Mumbai
Date : 24th May, 2023

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, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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, 2023, and its profit, total comprehensive income, its changes in equity and cash flows 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Key Information technology (IT) systems used in financial reporting process</p> <p>The Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>The Company uses Oracle system as the General Ledger for overall financial reporting which is interfaced with other systems that process transactions, which impacts significant account balances.</p> <p>The Company relies on automated processes and controls for recording of its transactions and accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>Principal Audit procedures:</p> <p>We involved our IT specialists to obtain an understanding of the entity's IT related control environment. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audit.</p> <p>For the key IT systems relevant to financial reporting, our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations. In particular:</p> <ul style="list-style-type: none"> we obtained an understanding of the entity's IT environment and key changes if any during the audit period that may be relevant to the audit; we tested the design, implementation and operating effectiveness of the General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; we tested key automated business cycle controls, related interfaces and logics for system generated reports relevant to the audit for evaluating completeness and accuracy; we also tested the controls over network segmentation, restriction of remote access to the entity's network, controls over firewall configurations and mechanisms implemented by the entity to prevent, detect and respond to network security incidents; and we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone Financial Statements.

Sr. Key Audit Matter No.	Auditor's Response
<p>2. Identification of and provisioning for expected credit loss (ECL) on trade receivables and loans under margin trading facility in accordance with the Company's policy (Refer Note 5 and 6 to the standalone financial statements)</p> <p>The Company as part of its Broking business has trade receivables and loans under margin facility offered to customers for trading purposes carried at amortised cost amounting to Rs. 576,513.11 lakhs net of ECL provision of Rs. 4,258.68 lakhs as at March 31, 2023.</p> <p>Identification of and provisioning for ECL on trade receivables and loans under margin trading facility in accordance with the Company's policy is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgement and other stakeholders focus. The most significant judgements are:</p> <ul style="list-style-type: none"> Determining the probability of defaults based on internally developed model and estimation of loss given defaults based on the value of collaterals and other relevant factors. Quantitative factors like days past due behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points and qualitative factors like reduction in the value of security, correlation of macro-economic variables to determine expected losses. <p>Given the inherent judgmental nature and the complexity of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of identification of and provisioning for ECL on trade receivables and loans under margin facility in accordance with the Company's policy. In particular:</p> <ul style="list-style-type: none"> we have evaluated the Company's internal control system in adhering to the Company's policy for identification of and provisioning for ECL on trade receivables and loans under margin facility; we have identified and tested the design and implementation as well as operational effectiveness of key controls pertaining to identification and classification of trade receivables and loans under margin trading facility in appropriate buckets, key assumptions used for the purpose of determination of ECL provision, completeness and accuracy of the data inputs used, monitoring of overdue positions; determination of Probability of Default based on internally developed model, Loss Given Default based on value of collaterals and Exposure At Default; we reviewed the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process like quantitative factors like days past due behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points and qualitative factors like reduction in the value of security, correlation of macro-economic variables to determine expected losses. We also test-checked the completeness and accuracy of source data used; we test checked trade receivables and loans under margin facility to examine the approval process, validity of the recorded amounts, documentation, examined the statement of accounts; We have also reviewed that the necessary disclosures as required by IND-AS standard have been made in the financial statements.

Information Other than the Standalone 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 consolidated financial statements, 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.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements 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 with reference to standalone financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 21(f) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 23100459BGXJHK4887

Place : Los Angeles
Date : May 24, 2023

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 March 31, 2023)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Kotak Securities Limited** ("the Company") as of March 31, 2023 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 23100459BGXJHK4887

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, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of Company’s property, plant & equipment, investment property, right-of-use assets and intangible assets:
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - Some of the property, plant & equipment and investment property 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 property, plant & equipment, investment property and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - Based on our examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in property plant and equipment and investment property are held in the name of the Company.

In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right-of use asset as at the balance sheet date, lease agreements are executed in favour of the Company.
 - The Company has not revalued any of its property, plant and equipment (including right-to-use assets) and intangible assets during the year.
 - No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns including statements comprising book debt statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) (a) The Company has provided loans or advances in the nature of loans and stood guarantee during the year and details of which are given below:

	Amount (₹ In Lakhs)	
	Aggregate amount granted / provided during the year	Balance outstanding as at balance sheet date
Loans		
- Margin trading facility Loans*	1,074,416.77	376,753.44
- Employee Stock option funding	1,132.36	-
- Loans to employees*	70.88	61.69
Guarantees	115,527.00	115,527.00
Total	1,191,147.01	492,342.13

* Expected credit loss is not considered in the closing balance above

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted or advances in the nature of margin funding loans and employee stock option loans provided by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below)

In respect of loans granted or advances in the nature of loans to employees provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) Loans or advances in the nature of margin funding loans and employee stock option loans granted by the Company have not fallen due during the year. Loan or advance in the nature of employee stock option loans granted and loans to employees granted by the Company which has fallen due during the year, has not been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (f) The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment or details of which are given below:

	Amount (₹ In Lakhs)		
	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	1,075,549.13	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	1,075,549.13	-	-
Percentage of loans/advances in nature of loans to the total loans	99.99%	-	-

- (iv) According to the information and explanations given to us, the Company has not granted any loans, or provided guarantees or securities that are covered under the provisions of Section 185 of the Companies Act, 2013 is not applicable. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits 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 made there under, are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act 2013. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, cess and any other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities in all cases during the year.

We have been informed that the operations of the Company did not give rise to any liability of Sales Tax, Service Tax and duty of Excise during the year.

- (b) There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, cess and other material statutory dues in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.

Details of statutory dues of income tax and service tax referred to in sub-clause (vii)(a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

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	The Commissioner of Service Tax	July 2012-September 2014	7,258.03	6,897 [^]
Total (A)	Service tax			7,258.03	6,897.00
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 2013-2014	397.85*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2014-2015	545.63*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2015-2016	2,735.46	2,301.00
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2016-2017	273.51	273.51
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2016-2017@	132.74	132.74
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2017-2018	87.61	87.61
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2018-2019	23.21	23.21
Total (B)	Income Tax			4,196.01	2,818.07
Total (A)+(B)				11,454.04	9,715.07

* Paid under protest

[^] Net of Rs.362 lacs paid under protest

@ Appeal filed for order u/s 201 (1) and 201 (1A)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The Company has no investments in any joint ventures.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, 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 standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2023 and the draft of the internal audit reports where issued to the Company after the balance sheet date covering the period April 1, 2022 to March 31, 2023 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) During the year, the Company has not conducted any Non-Banking Financial activities any Housing Finance activities and is not required to obtain Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
- (c) The Company is an exempted Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and it continues to fulfil the exemption criteria during the year.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In According to the information and explanation given to us, in respect of other than ongoing projects there are no unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013. within a period of six months of the expiry of the said financial year in compliance with second proviso to subsection (5) of section 135 of the said Act. Accordingly, reporting under clause 3 (xx) of the order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135 (6) of the Act.

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

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 23100459BGXJHK4887

Place : Los Angeles
Date : May 24, 2023

Standalone Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)				
Sr No	Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS				
(1) Financial assets				
(a)	Cash and cash equivalents	2	10,209.55	7,575.95
(b)	Bank Balance other than (Note 2) above	3	711,754.96	550,732.30
(c)	Derivative financial instruments	4	2,254.00	59.35
(d)	Receivables	5		
(i)	Trade receivables		246,431.75	585,371.91
(ii)	Other receivables		2,056.93	145.73
			248,488.68	585,517.64
(e)	Loans	6	374,729.88	487,043.74
(f)	Investments	7	248,487.06	330,938.28
(g)	Other Financial assets	8	1,600.57	1,536.34
Total Financial assets			1,597,524.70	1,963,403.60
(2) Non-financial assets				
(a)	Current Tax assets (Net)	9A	2,423.90	1,691.15
(b)	Deferred Tax assets (Net)	10	895.04	-
(c)	Investment Property	11	2,006.71	2,052.00
(d)	Property, Plant and Equipment	12	12,380.75	10,026.90
(e)	Other intangible assets	13	5,178.18	4,749.41
(f)	Other Non-Financial assets	14	4,238.77	3,531.38
Total Non-financial assets			27,123.35	22,050.84
Total Assets			1,624,648.05	1,985,454.44
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a)	Derivative financial instruments	4	181.09	57.46
(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		537,491.33	790,116.70
			537,491.33	790,116.70
(c)	Debt securities	16	330,827.14	470,910.52
(d)	Borrowings (Other than Debt Securities)	17	-	-
(d)	Lease Liabilities		6,365.08	4,949.20
(e)	Deposits		3,432.51	3,775.62
(f)	Other Financial liabilities	18	16,533.41	59,161.78
Total Financial liabilities			894,830.56	1,328,971.28
(2) Non-Financial liabilities				
(a)	Current tax liabilities (Net)	9B	1,471.86	1,499.95
(b)	Provisions	19	10,449.02	11,972.50
(c)	Deferred tax liabilities (Net)	10	-	886.43
(d)	Other non-financial liabilities	20	2,229.31	3,642.41
Total Non-financial liabilities			14,150.19	18,001.29
Total Liabilities (A)			908,980.75	1,346,972.57
(3) EQUITY				
(a)	Equity Share Capital	21	160.00	160.00
(b)	Other equity	22	715,507.30	638,321.87
Total Equity (B)			715,667.30	638,481.87
Total Liabilities and Equity (A+B)			1,624,648.05	1,985,454.44
See accompanying notes to the standalone financial statements		1-49		

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

Ketan Vora
Partner

Place : Los Angeles
Date : 24th May, 2023

For and on behalf of the Board of Directors

Narayan.S.A
Chairman
DIN: 00007404

Shripal Shah
Chief Operating Officer

Place : Mumbai
Date : 24th May, 2023

Jaideep Hansraj
Managing Director
DIN: 02234625

Vikas Tarekar
Company Secretary
Membership No: A31670

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31 st March 2023	Year Ended 31 st March 2022
REVENUE FROM OPERATIONS			
(i) Interest income	23	104,884.49	90,551.20
(ii) Dividend income	24	1,728.40	2,211.29
(iii) Fees and commission income	25	158,938.18	182,951.33
(iv) Net gain on fair value changes	26	16,151.09	20,518.98
(I) Total revenue from operations		281,702.16	296,232.80
(II) Other income	27	2,275.97	2,483.82
(III) Total income (I + II)		283,978.13	298,716.62
EXPENSES			
(i) Finance costs	28	26,946.41	17,433.57
(ii) Fees and commission expense	29	41,807.04	45,917.53
(iii) Impairment on financial instruments	30	(1,086.91)	1,778.49
(iv) Employee Benefits expenses	31	53,481.64	48,444.82
(v) Depreciation, amortisation and impairment	32	6,274.06	4,154.65
(vi) Other expenses	33	45,012.99	40,735.97
(IV) Total expenses		172,435.23	158,465.03
(V) Profit before tax (III-IV)		111,542.90	140,251.59
(VI) Tax expense	35		
(1) Current tax		28,717.11	33,724.98
(2) Deferred tax charge/(credit)		(1,108.09)	1,583.64
Total tax expense (1+2)		27,609.02	35,308.62
(VII) Profit for the year (V-VI)		83,933.88	104,942.97
(VIII) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined employee benefit plans	39	(267.52)	161.61
(ii) Income tax relating to items that will not be reclassified to profit or loss		67.33	(40.68)
Total (A)		(200.19)	120.93
(B) Items that will be reclassified to profit or loss			
(i) Debt Instruments fair valued through Other Comprehensive Income		(2,648.88)	(1,256.90)
(ii) Income tax relating to items that will be reclassified to profit or loss		606.06	287.58
Total (B)		(2,042.82)	(969.32)
Other Comprehensive Income / (Loss) (A+B)		(2,243.01)	(848.39)
(IX) Total Comprehensive Income for the year (VII+VIII)		81,690.87	104,094.58
(X) Earnings per equity share of face value of ₹ 10 each	34		
Basic (₹)		5,245.87	6,558.94
Diluted (₹)		5,245.87	6,558.94
See accompanying notes to the standalone financial statements	1-49		

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

Ketan Vora
Partner

Place : Los Angeles
Date : 24th May, 2023

For and on behalf of the Board of Directors

Narayan.S.A
Chairman
DIN: 00007404

Shripal Shah
Chief Operating Officer

Place : Mumbai
Date : 24th May, 2023

Jaideep Hansraj
Managing Director
DIN: 02234625

Vikas Tarekar
Company Secretary
Membership No: A31670

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
(A) Cash flow from operating activities		
Profit before tax	111,542.90	140,251.59
Add / (Less) adjustment from / (used in):		
Depreciation, amortisation and impairment	6,274.06	4,154.65
Finance Costs	25,735.96	15,834.36
Interest income on Investment	(9,789.35)	(8,269.59)
Dividend income	(1,728.40)	(2,211.29)
Rental Income from Investment Property	(1,005.01)	(1,005.01)
Liabilities Written back as no longer required	(408.22)	(45.96)
Net Gain on derecognition of Property, Plant and Equipment	(16.84)	(115.72)
Profit on sale of investments (net)	(5,088.11)	(1,363.19)
Unrealised Fair value changes	(2,222.31)	(8,205.66)
Net Unrealised exchange (Gain) / Loss (net)	129.06	63.38
Fair value of ESOP and SARS	295.36	745.35
Impairment on financial instruments	(1,086.91)	1,778.49
Operating profit before working capital changes	122,632.19	141,611.40
Changes in working capital adjustments		
Adjustment for		
(Decrease) / Increase in trade payables	(252,346.24)	349,007.86
(Decrease) / Increase in provisions	(1,791.80)	3,389.44
Increase in other financial liabilities	1,191.46	2,175.31
(Decrease) / Increase in other non-financial liabilities	(1,413.10)	1,485.92
Decrease / (Increase) in trade receivables and other receivables	337,288.87	(281,361.47)
Decrease / (Increase) in loans and advances	113,235.66	(258,200.88)
Decrease / (Increase) in investments (held for trading) (net)	41,337.20	(10,098.86)
(Increase) in other non financial assets	(499.84)	(1,011.75)
(Increase) / Decrease in other financial assets	(64.82)	1,585.37
(Increase) in Bank balance other than Cash and Cash equivalents	(161,122.97)	(40,626.15)
(Increase) in derivative financial position	(2,071.02)	(46.17)
	196,375.59	(92,089.98)
Income tax paid (Net of refund)	(29,477.94)	(35,956.00)
Net cash generated from/(used in) operating activities (A)	166,897.65	(128,045.98)
(B) Cash flow from investing activities:		
Purchase of Property plant and equipments and Other intangible assets	(5,807.68)	(5,798.36)
Proceeds from sale of Property plant and equipments	200.09	221.06
Sale / (Purchase) of Investments (net)	1,122.78	(7,972.10)
Interest received	9,789.35	8,269.59
Dividend on investments	1,728.40	2,211.29
Rental Income from Investment Property	1,005.01	1,005.01
Net cash used in investing activities (B)	8,037.90	(2,063.51)

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
(C) Cash flow from financing activities:		
Proceeds from Commercial Paper (debt securities)	1,745,273.38	1,712,569.32
Repayments of Commercial Paper (debt securities)	(1,910,000.00)	(1,574,499.95)
Finance Costs	(698.95)	(497.43)
Dividend paid	(4,800.00)	(3,200.00)
Repayment of Lease Liabilities	(2,074.45)	(1,845.49)
Net cash (used in) /generated from financing activities (C)	(172,300.02)	132,526.45
Net Increase in Cash and cash equivalents (A)+(B)+(C)	2,635.58	2,416.96
Cash and cash equivalents at the beginning of the year	7,581.30	5,164.34
Cash and cash equivalents at the end of the year*	10,216.88	7,581.30

* Cash and cash equivalents shown in Balance Sheet is net of ECL provision of ₹ 7.33 lakhs as at March 31, 2023 (₹ 5.36 lakhs as at March 31, 2022)

Notes:

- Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Opening balance	470,910.52	318,058.45
Borrowing taken during the year	1,745,273.38	1,712,569.32
Amortisation of interest and other charges on borrowings	24,643.24	14,782.70
Repayments during the year	(1,910,000.00)	(1,574,499.95)
Closing balance	330,827.14	470,910.52

- The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS -7 "Statement of Cash flows".
- Non- cash financing activity -
Employee stock option plan from Kotak Mahindra Bank Ltd of ₹ 294.56 lakhs for year ended 31 March 2023 (Previous year - ₹ 745.16 lakhs)

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

Ketan Vora
Partner

Place : Los Angeles
Date : 24th May, 2023

For and on behalf of the Board of Directors

Narayan.S.A
Chairman
DIN: 00007404

Shripal Shah
Chief Operating Officer

Place : Mumbai
Date : 24th May, 2023

Jaideep Hansraj
Managing Director
DIN: 02234625

Vikas Tarekar
Company Secretary
Membership No: A31670

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at 1-April-2021	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2022	160.00
Balance as at 1-April-2022	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2023	160.00

B. OTHER EQUITY

Particulars	Reserves and Surplus			Capital contribution from holding company	Debt instruments through Other comprehensive income	Total
	General Reserve	Securities premium	Retained earnings			
Opening Balance as at 01-April-2021	17,281.94	2,350.35	506,963.57	5,986.47	4,341.21	536,923.54
Profit for the year	-	-	104,942.97	-	-	104,942.97
Other comprehensive income for the year	-	-	120.93	-	(969.32)	(848.39)
Amount transferred from Other comprehensive income to P/L	-	-	-	-	(313.02)	(313.02)
Deferred tax on above reversed	-	-	-	-	71.62	71.62
Total comprehensive income	-	-	105,063.90	-	(1,210.72)	103,853.18
Employee stock option	-	-	-	745.15	-	745.15
Dividend paid	-	-	(3,200.00)	-	-	(3,200.00)
Balance as on 31-March-2022	17,281.94	2,350.35	608,827.47	6,731.62	3,130.49	638,321.87
Profit for the year	-	-	83,933.88	-	-	83,933.88
Other comprehensive income for the year	-	-	(200.19)	-	(2,042.82)	(2,243.01)
Total comprehensive income	-	-	83,733.69	-	(2,042.82)	81,690.87
Employee stock option	-	-	-	294.56	-	294.56
Dividend paid	-	-	(4,800.00)	-	-	(4,800.00)
Balance as on 31-March-2023	17,281.94	2,350.35	687,761.16	7,026.18	1,087.67	715,507.30

See accompanying notes to the standalone financial statements

1-49

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

For and on behalf of the Board of Directors

Ketan Vora
Partner

Place : Los Angeles
Date : 24th May, 2023

Narayan.S.A
Chairman
DIN: 00007404

Shripal Shah
Chief Operating Officer

Place : Mumbai
Date : 24th May, 2023

Jaideep Hansraj
Managing Director
DIN: 02234625

Vikas Tarekar
Company Secretary
Membership No: A31670

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 the Indian Accounting Standards (herein after referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

COVID-19, a global pandemic, affected the world economy over last two years. The revival of economic activity improved in financial year 2022 supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which COVID-19 pandemic will impact the company's results going forward will depend on ongoing as well as future developments including the nature and severity of COVID-19.

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 standalone 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 except for the changes in accounting policies for Ind AS 116 : Lease (refer note G) disclosed hereafter. These standalone financial statements were authorized for issue by the Company's Board of Director on 24th May 2023.

B. Functional and presentation currency

The standalone 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 standalone financial statements in conformity with the Ind AS requires the Management to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) as on the date of the standalone 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.

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 for details.

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

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 39.

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. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

VII. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

VIII. 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.

IX. 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 40.

X. 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. For further details about determination of fair value please see Note 41.

XI. 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

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.

XII. 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.

XIII. 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.

XIV. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The 'value in use' calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes..

XV. 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.

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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to standalone statement of profit and loss during the reporting period in which they are incurred.

iii. Depreciation

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. 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 is 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.

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
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E. Impairment of non-financial assets

The carrying values of assets (including Right of Use 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) towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.
- 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. Leases :

As Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the standalone statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

As Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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 lakh 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.

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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

Kotak Mahindra Bank Limited ("the Bank") grants employee stock options to the eligible employees of the Company. The schemes provide for grant of options to employees of the Group to acquire the equity shares of the Bank that vest in cliff vesting or in a graded manner and that are to be exercised within a specified period. In accordance with, SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India the Bank has started charging share-linked instruments on fair value method instead of intrinsic value for all instruments granted after the accounting period ending March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is charged to the company over the vesting period. The share of the company's capital contribution reimbursed to the Bank is recorded as an expense in the Statement of Profit and Loss under Share based payments to employees in Employee benefits expenses.

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 standalone statement of 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 and loss is recognised outside profit and 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.

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.

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.

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

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.

Business model assessment

The Company determines business model in which an asset is held consistent with the way in which business is managed and information provided to management. The information considered in conjunction with objectives of business model include:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity..
- 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 assessing contractual cash flows, '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.

Subsequent Measurement

Financial assets at amortised cost

A financial asset is measured at amortised cost using the EIR method 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.

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 standalone statement of profit and loss account. The losses if any, arising from impairment are recognised in the standalone statement of profit and loss account.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Financial asset at fair value through Other Comprehensive Income (FVOCI)

a) Debt Instruments

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

b) Investment in equity instruments

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

After initial measurement, such financial assets are subsequently measured at fair value through OCI. Dividends are recognised as income in standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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 and Equity instruments

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised as the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity,

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at 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.

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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.

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. 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

Financial assets

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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 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.

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).

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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 items that are measured at historical cost in foreign currency are not retranslated at reporting date.

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. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional right of receipt.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Z. Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Other Amendments including amendments in Ind AS 102, share based payments, Ind AS 103, Business combination, Ind AS 109, Financial Instrument, Ind AS 115, Revenue with contract from customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its standalone Financial Statement due to these amendments.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE 2 CASH AND CASH EQUIVALENTS :

(₹ in lakhs)

Particulars	As at 31-Mar-23	As at 31-Mar-22
(a) Cash on hand	0.15	0.15
(b) Balances with banks - in Current Accounts*	10,216.73	7,581.15
Sub total	10,216.88	7,581.30
Less: Impairment loss allowance	(7.33)	(5.35)
Total	10,209.55	7,575.95

*includes balance of ₹ 506.33 lakhs (previous year ₹ 672.62 lakhs) earmarked for corporate social responsibility expenses

NOTE 3 BANK BALANCE OTHER THAN (NOTE 2) ABOVE

(₹ in lakhs)

Particulars	As at 31-Mar-23	As at 31-Mar-22
In Fixed deposits with banks having maturity less than 12 months	705,030.83	549,182.29
In Fixed deposits with banks having original maturity of more than 12 months	7,170.31	1,895.89
Sub total	712,201.14	551,078.18
Less: Impairment loss allowance	(446.18)	(345.88)
Total	711,754.96	550,732.30

Notes:

Fixed Deposits with banks includes deposits under the lien with :-

NSE Clearing Limited	514,614.08	432,695.78
Indian Clearing Corporation Limited	26,645.09	20,269.57
National Stock Exchange Limited	226.33	201.19
Bombay Stock Exchange Limited	14.48	13.87
National Commodity Exchange Limited	9,419.61	10,363.23
Multi Commodity Exchange of India Limited	60,199.81	50,988.57
Banks for guarantees issued	37,305.70	31,687.84
The Unique Identification Authority of India	25.00	25.00
	648,450.10	546,245.05

NOTE: 4 DERIVATIVE FINANCIAL INSTRUMENTS:

(₹ in lakhs)

Particulars	As at 31-Mar-23			As at 31-Mar-22		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
Equity linked derivatives	65,720.35	2,254.00	181.09	55,924.15	59.35	57.46
Total Derivative financial instruments	65,720.35	2,254.00	181.09	55,924.15	59.35	57.46
Part II						
Undesignated derivatives	65,720.35	2,254.00	181.09	55,924.15	59.35	57.46
Total derivative financial instruments	65,720.35	2,254.00	181.09	55,924.15	59.35	57.46

Refer note 41 for financial risk on derivative contracts.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 5 RECEIVABLES :

(i) Trade receivables:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	Exposure	Loss Allowance	Net Amount	Exposure	Loss Allowance	Net Amount
- Considered good - Secured;	197,692.72	-	197,692.72	301,783.76	-	301,783.76
- Considered good - UnSecured;	2,650.36	(583.81)	2,066.55	8,105.40	(680.03)	7,425.37
- Significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	1,590.02	(1,590.02)	-	1,846.57	(1,846.57)	-
Sub Total	201,933.10	(2,173.83)	199,759.27	3,11,735.73	(2,526.60)	309,209.13
Stock exchange receivable	46,672.48	-	46,672.48	2,76,162.78	-	276,162.78
Total Trade receivables	248,605.58	(2,173.83)	246,431.75	5,87,898.51	(2,526.60)	585,371.91

(ii) Other receivables:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
- Considered good - UnSecured	2,056.93	145.73
Total Other receivables	2,056.93	145.73
Total Receivables (i+ii)	248,488.68	585,517.64
Out of which:		
Due from Directors	-	-
Maximum amount outstanding during the year from Directors	8.17	15.04

No trade or other receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) in which any director is a partner or a director or a member. Refer note 41(b) for Financial Risk Management-Credit Risk and refer note 44 for disclosure on contract balances-Trade Receivables

Ageing - Trade Receivables

As on 31st March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled amount	Not due*	Less than 6 months	6 months - 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Trade Receivables -Undisputed								
(i) considered good	1,008.12	13,812.98	231,871.66	184.85	119.83	2.29	15.83	247,015.56
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	594.32	295.91	145.40	159.57	314.06	1,509.26
Trade Receivables - Disputed								
(i) considered good	-	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	26.61	47.97	0.01	0.01	6.16	80.76
Total	1,008.12	13,812.98	232,492.59	528.73	265.24	161.87	336.05	248,605.58

As on 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled amount	Not due*	Less than 6 months	6 months - 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Trade Receivables -Undisputed								
(i) considered good	-	38,536.21	547,191.54	57.05	65.93	44.26	156.97	586,051.94
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	843.49	276.85	98.43	68.87	125.38	1,413.03
Trade Receivables - Disputed								
(i) considered good	-	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	65.83	16.64	15.64	4.24	331.19	433.55
Total	-	38,536.21	548,100.86	350.54	179.99	117.38	613.53	587,898.51

* This represents amount towards trade executed by clients which got settled in next Financial year.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 6 LOANS

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
		Amortised Cost	Amortised Cost
(A)	(i) Employee Loans	61.69	56.24
	(ii) Margin Trading facility	376,753.44	489,994.55
	Total Gross (A)	376,815.13	490,050.79
	Less: Impairment loss allowance	(2,085.25)	(3,007.05)
	Total Net (A)	374,729.88	487,043.74
(B)	(i) Secured by Securities /Shares	374,668.19	486,987.50
	(ii) Unsecured	2,146.94	3,063.29
	Total Gross (B)	376,815.13	490,050.79
	Less: Impairment loss allowance	(2,085.25)	(3,007.05)
	Total Net (B)	374,729.88	487,043.74
(C) (i) Loans in India			
	(i) Public Sector	-	-
	(ii) Others	-	-
	(a) Employee Loan	61.69	56.24
	(b) Margin Trading Facility	376,753.44	489,994.55
	Total Gross (C) (i)	376,815.13	490,050.79
	Less: Impairment loss allowance	(2,085.25)	(3,007.05)
	Total Net (C) (i)	374,729.88	487,043.74
(C)(ii) Loans outside India			
	Less: Impairment allowance	-	-
	Total Net (C) (ii)	-	-
	Total (C) (i+ii)	374,729.88	487,043.74

Refer Note 41 -B for ageing of Employee Loans and Margin Trading facility

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 7 INVESTMENTS

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2023				
		Amortised Cost	At Fair Value		Cost	Total
			Through Other Comprehensive Income	Through profit or loss		
		(1)	(2)	(3)	(4=2+3)	(5)
(A)	Mutual funds	-	-	-	-	-
	Venture funds	-	-	74,560.88	74,560.88	74,560.88
	Debt securities	-	44,963.13	15,981.93	60,945.06	60,945.06
	Equity instruments*	-	-	74,474.99	74,474.99	74,474.99
	Subsidiary	-	-	-	-	585.57
	Associates	-	-	-	-	36,380.69
	Preference shares	-	-	1,539.87	1,539.87	1,539.87
	Total Gross (A)	-	44,963.13	166,557.67	211,520.80	36,966.26
	Less: Impairment allowance	-	-	-	-	-
	Total Net	-	44,963.13	166,557.67	211,520.80	36,966.26
(B)	(i) Investments outside India	-	-	-	-	585.57
	(ii) Investments in India	-	44,963.13	166,557.67	211,520.80	36,380.69
	Total (B)	-	44,963.13	166,557.67	211,520.80	36,966.26
	Less: Impairment allowance	-	-	-	-	-
	Total Net	-	44,963.13	166,557.67	211,520.80	36,966.26

* Includes stock in trade of ₹ 71,215.67 Lakhs

Refer Note 36(II)(b) for uncalled liability on shares and investments partly paid

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2022				
		Amortised Cost	At Fair Value		Cost	Total
			Through Other Comprehensive Income	Through profit or loss		
		(1)	(2)	(3)	(4=2+3)	(5)
(A)	Mutual funds	-	-	10,000.51	10,000.51	-
	Venture funds	-	-	50,462.15	50,462.15	-
	Debt securities	4,987.02	56,145.18	-	56,145.18	-
	Equity instruments*	-	-	171,083.23	171,083.23	-
	Subsidiary	-	-	-	-	585.57
	Associates	-	-	-	-	36,380.69
	Preference shares	-	-	1,296.92	1,296.92	-
	Total Gross (A)	4,987.02	56,145.18	232,842.81	288,987.99	36,966.26
	Less: Impairment allowance	(2.99)	-	-	-	(2.99)
	Total Net	4,984.03	56,145.18	232,842.81	288,987.99	36,966.26
(B)	(i) Investments outside India	-	-	-	-	585.57
	(ii) Investments in India	4,987.02	56,145.18	232,842.81	288,987.99	36,380.69
	Total (B)	4,987.02	56,145.18	232,842.81	288,987.99	36,966.26
	Less: Impairment allowance	(2.99)	-	-	-	(2.99)
	Total Net	4,984.03	56,145.18	232,842.81	288,987.99	36,966.26

* Includes stock in trade of ₹ 112,552.87 Lakhs

Refer Note 36(II)(b) for uncalled liability on shares and investments partly paid

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(A) Bifurcation of Investment

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Quoted	136,214.81	186,517.66
unquoted	110,874.19	144,423.62
Total	247,089.00	330,941.28

(B) Market Value of Pledged Securities

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Equity Shares	65,704.51	112,098.14
Debt securities	15,054.00	18,206.34
Total	80,758.51	130,304.48

(C) Investments in Subsidiary and Associates:

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31 st March, 2023		As at 31 st March, 2022	
		Quantity	Amount	Quantity	Amount
(i) Investment in Equity Instruments					
(a) Investment in Subsidiary (Unquoted, fully paid-up) (measured at cost)					
Kotak Mahindra Financial Services Limited {registered in Abu Dhabi, U.A.E.}	USD 1	1,239,000	585.57	1,239,000	585.57
(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
Kotak Mahindra Prime Limited	10	1,712,600	27,080.69	1,712,600	27,080.69
(ii) Investment in Debentures					
Investment in Associate (Quoted, fully paid-up) (FVTOCI)					
Kotak Mahindra Prime Limited:					
10.40% Unsecured Non Convertible Debentures (Date of Redemption on 23 rd September, 2022)	1000000	-	-	250	2,563.14
10.50% Unsecured Non Convertible Debentures (Date of Redemption on 22 nd Jun, 2023)	1000000	400	4,136.55	400	4,214.39
8.25% Unsecured Non Convertible Debentures (Date of Redemption on 07 th Dec, 2027)	1000000	1,000	10,136.73	1,000	10,546.76

(D) As per the requirement of sec 186(4) of the Companies Act 2013, refer note 37 the details of Investment in group companies.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 8 OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Other financial assets (at amortised cost):		
Deposits	1,606.53	1,541.71
Sub total	1,606.53	1,541.71
Less: Impairment loss allowance	(5.96)	(5.37)
Total	1,600.57	1,536.34

NOTE: 9A CURRENT TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Current tax assets		
Advance Income Tax {Net of Provision ₹ 109,548.30 Lakhs (Previous Year ₹ 80,831.19 Lakhs)}	2,423.90	1,691.15

NOTE: 9B CURRENT TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Current tax liabilities		
Income tax payable {Net of Advance Tax ₹ 109,778.31 Lakhs (Previous Year ₹ 109,750.21 Lakhs)}	1,471.86	1,499.95

NOTE: 10 DEFERRED TAX ASSETS / LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Deferred tax assets	2,809.09	2,757.43
Deferred tax liabilities	(1,914.05)	(3,643.86)
Net deferred Tax Assets / (liabilities)	895.04	(886.43)

Refer note no.35 for details of deferred tax assets / liabilities.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 11 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Amount
Gross carrying amount	
As at 1 April 2021	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2022	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2023	2,278.45
Accumulated depreciation	
As at 1 April 2021	181.16
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2022	226.45
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2023	271.74
Carrying amounts	
As at 31 March 2022	2,052.00
As at 31 March 2023	2,006.71
Fair value	
As at 31 March 2022	8,461.80
As at 31 March 2023	8,473.32

A 'Note - The asset relating to Floor no. 7, Building 21 located at Infinity Park, Mumbai have been classified as investment property as per Ind AS 40, Investment Property. The Building 21 is jointly held with parent wherein Floor no. 7, title is held in the name of the Company.

B. Measurement of fair values

i. Fair value hierarchy

The fair value measurement for the above investment property is assessed by the management using level 3 inputs of fair value hierarchy as outlined in Ind AS 113, Fair Value Measurement and has been categorised as a level 3 fair value based on the inputs to the valuation technique

The Company has no restrictions on the realisability of its investment property. The fair value of the above investment property for Previous year 2021-2022 has been determined by an external independent valuer registered under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

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.

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

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Rental income derived from investment property	1,005.01	1,005.01
Direct operating expenses of investment property	(35.81)	(35.81)
Income arising from investment properties before depreciation	969.20	969.20
Depreciation	(45.29)	(45.29)
Income arising from investment property (Net)	923.91	923.91

1. There are no Indirect operating expenses incurred by the company with respect to Investment property.

D. Investment property 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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 12 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Buildings (a)	Furniture and fixtures	Vehicles	Office equipment (b)	Computers	Improvements To Leasehold Premises	Right-of- use assets (Premises, Car Parking, IT Equipments)	Total
Balance as at 01st April, 2021	2,281.24	174.72	1,972.13	1,012.10	6,120.97	1,063.97	8,286.48	20,911.61
Additions during the year	-	17.13	503.70	55.24	2,085.80	115.73	1,555.06	4,332.65
Disposals during the year	-	(1.64)	(179.74)	(0.06)	(2.55)	(9.39)	(1,333.61)	(1,526.99)
Balance as at 31st March, 2022	2,281.24	190.21	2,296.09	1,067.28	8,204.22	1,170.31	8,507.93	23,717.28
Accumulated depreciation, amortization and impairment as on 01st April, 2021	181.36	145.49	1,361.52	738.89	4,213.31	684.46	4,153.59	11,478.62
Depreciation for the year	45.32	23.54	321.27	152.38	1,484.54	132.23	1,472.67	3,631.95
Disposals during the year	-	(1.25)	(121.10)	(0.02)	(0.92)	(8.71)	(1,288.19)	(1,420.19)
Accumulated depreciation, amortization and impairment as on 31st March, 2022	226.68	167.78	1,561.69	891.25	5,696.93	807.98	4,338.07	13,690.38
Net carrying amount as on 31-March-2022	2,054.56	22.43	734.40	176.03	2,507.29	362.33	4,169.86	10,026.90
Balance as at 01st April, 2022	2,281.24	190.21	2,296.09	1,067.28	8,204.22	1,170.31	8,507.93	23,717.28
Additions during the year	-	36.33	824.18	238.94	2,239.06	197.93	3,132.99	6,669.43
Disposals during the year	-	(8.39)	(398.94)	(119.73)	(434.10)	(0.35)	(1,039.22)	(2,000.73)
Balance as at 31st March, 2023	2,281.24	218.15	2,721.33	1,186.49	10,009.18	1,367.89	10,601.70	28,385.98
Accumulated depreciation, amortization and impairment as on 01st April, 2022	226.68	167.78	1,561.69	891.25	5,696.93	807.98	4,338.07	13,690.38
Depreciation for the year	45.32	42.76	391.44	125.42	1,655.10	172.05	1,663.86	4,095.95
Disposals during the year	-	(8.20)	(257.61)	(101.64)	(410.86)	-	(1,002.79)	(1,781.10)
Accumulated depreciation, amortization and impairment as on 31st March, 2023	272.00	202.34	1,695.52	915.03	6,941.17	980.03	4,999.14	16,005.23
Net carrying amount as on 31st March, 2023	2,009.24	15.81	1,025.81	271.46	3,068.01	387.86	5,602.56	12,380.75

- The Building 21 located at Infinity Park, Mumbai is jointly held with parent wherein Floor no. 8, title is held in the name of the Company. Further, it also includes part of the floor no.8 given on operating Lease aggregating to ₹ 928.63 Lakhs (Previous Year ₹ 928.63 Lakhs) and the written down value of the assets as on 31st March, 2023 is ₹ 817.89 Lakhs (Previous year ₹ 836.35 Lakhs). It also includes value of shares in a co-operative society, aggregating to ₹ 4.00 Lakhs registered and title is held in the name of the Company.
- Refer note no. 38 for Right-of-use assets.
- The Company had not revalued its property, plant and equipment including right-of-use assets during the year ended March 31, 2023 and March 31, 2022 respectively.
- Refer to note 36(II)(a) (Other commitments) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Impairment loss and reversal of impairment loss is Nil.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 13 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software	Database	Total
Gross carrying amount as at 01-April-2021	1,859.25	-	1,859.25
Additions during the year	4,871.22	-	4,871.22
Disposals during the year	(263.99)	-	(263.99)
Gross carrying amount as at 31-March-2022	6,466.48	-	6,466.48
Accumulated amortisation and impairment as on 01-April-2021	1,503.65	-	1,503.65
Depreciation for the year	477.41	-	477.41
Disposals during the year	(263.99)	-	(263.99)
Accumulated amortisation and impairment as on 31-March-2022	1,717.07	-	1,717.07
Net carrying amount as on 31-March-2022	4,749.41	-	4,749.41
Gross carrying amount as at 01-April-2022	6,466.48	-	6,466.48
Additions during the year (Refer note e)	1,965.19	596.40	2,561.59
Disposals during the year	(4.00)	-	(4.00)
Gross carrying amount as at 31-March-2023	8,427.67	596.40	9,024.07
Accumulated amortisation and impairment as on 01-April-2022	1,717.07	-	1,717.07
Depreciation for the year	2,071.28	61.54	2,132.82
Disposals during the year	(4.00)	-	(4.00)
Accumulated amortisation and impairment as on 31-March-2023	3,784.35	61.54	3,845.89
Net carrying amount as on 31-March-2023	4,643.32	534.86	5,178.18

Notes:

- Intangible assets are amortised on straight line basis over their estimated useful lives, which is generally between 3 to 5 years.
- Impairment loss and reversal of impairment loss is Nil.
- The Company had not revalued its Other Intangible assets during the year ended March 31, 2023 and March 31, 2022 respectively.
- Refer to note 36(II)(a) (Other commitments) for disclosure of contractual commitments for the acquisition of Other Intangible Assets.
- During the year the Company has acquired certain assets from FundExpert Fintech Private Limited vide asset acquisition agreement dated 02nd September 2022 amounting to Rs 1,523.32. The same has been capitalised as Intangible asset i.e software and Customer database in the financial statement. The company has paid an amount of Rs. 773.32 and balance amount is shown as payable which is to be paid in future years based on terms and conditions stipulated in the agreement.

NOTE: 14 OTHER NON FINANCIAL ASSETS :

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Capital advances	751.06	543.51
Advance Receivable in cash or kind	521.95	655.95
Advance to suppliers	0.04	2.33
Employee Advance	15.92	37.26
Prepaid expenses	2,949.80	2,055.23
Gratuity Receivable (refer note: 39)	-	237.10
Total	4,238.77	3,531.38

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 15 PAYABLES :

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises (refer note: 48)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	537,491.33	790,116.70
Total	537,491.33	790,116.70

Ageing- Trade Payables

As on 31st March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due*	Less than 1 year	- 1 to 2 years	- 2 to 3 years	- More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	9,133.47	42,988.46	4,84,541.65	294.79	109.02	423.94	537,491.33
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	9,133.47	42,988.46	4,84,541.65	294.79	109.02	423.94	537,491.33

As on 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due*	Less than 1 year	- 1 to 2 years	- 2 to 3 years	- More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	8,917.18	276,051.50	5,04,221.97	242.19	97.22	586.65	790,116.70
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	8,917.18	276,051.50	5,04,221.97	242.19	97.22	586.65	790,116.70

* This represents amount towards trade executed by clients which got settled in next Financial year.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 16 DEBT SECURITIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Commercial Paper	330,827.14	470,910.52
Total (A)	330,827.14	470,910.52
Debt securities in India	330,827.14	470,910.52
Debt securities outside India	-	-
Total (B)	330,827.14	470,910.52

Note:

As at 31st March, 2023

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	330,827.14	28 days to 182 days	4.14% to 8.04%	Face value of ₹ 545,000 Lakhs	At Maturity

As at 31st March, 2022

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	470,910.52	35 days to 182 days	3.55% to 4.80%	Face value of ₹ 510,000 Lakhs	At Maturity

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 17 BORROWINGS (OTHER THAN DEBT SECURITIES):

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Secured (at amortised cost)		
Overdraft from Banks- repayable on demand	-	-
Total	-	-

NOTE: 18 OTHER FINANCIAL LIABILITIES :

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance received for sale of Investments	10,740.94	55,401.78
Employee Benefits Payable	2,468.08	1,692.36
Payable for Capital expenditure	1,159.84	661.94
Unspent amount towards Corporate Social Responsibility (Refer note 45)	1,753.80	1,405.70
Gratuity payable	410.75	-
Total	16,533.41	59,161.78

NOTE: 19 PROVISIONS :

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for Compensated Absences	365.13	1,363.04
Provision for Long Service Awards	103.18	171.83
Provision for Stock Appreciation Rights (Refer Note: 40)	2,827.21	1,849.55
Provision for Short Term Incentives	7,153.50	8,588.08
Total	10,449.02	11,972.50

NOTE: 20 OTHER NON-FINANCIAL LIABILITIES :

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Revenue received in advance (Refer note 44- Disclosure on Revenue from Contracts with Customers - Advance from customers)	637.89	320.87
Statutory Dues Payable (including PF, Stamp duty, TDS)	1,591.42	3,321.54
Total	2,229.31	3,642.41

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 21 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No of Shares	Amount	No of Shares	Amount
a) Authorised				
Equity Shares of ₹ 10 each	6,000,000	600	6,000,000	600
Preference Shares of ₹ 100 each	1,000,000	1,000	1,000,000	1,000
		1,600		1,600
b) Issued, Subscribed and Paid Up				
Equity Shares of ₹10 each fully paid up	1,600,000	160	1,600,000	160

- c) Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	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
Equity Shares outstanding at the end of the year	1,600,000	160.00	1,600,000	160.00

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

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

- e) Equity shares held by the holding company and its subsidiaries

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	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
Kotak Mahindra Capital Company Limited, subsidiary of Holding Company	400,010	40.00	400,010	40.00
Total	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

Name of Shareholder	As at 31 st March, 2023		As at 31 st March, 2022	
	No of Shares	Amount	No of Shares	Amount
Kotak Mahindra Bank Limited and its nominees	1,199,990	75.00%	1,199,990	75.00%
Kotak Mahindra Capital Company Limited	400,010	25.00%	400,010	25.00%
Total	1,600,000	100%	1,600,000	100%

The company has enough surplus which is sufficient for its business. Considering that it has sufficient surplus funds, the Board of Directors of the Company at their meeting held on May 24, 2023, have recommended dividend for the year ended March 31, 2023 at the rate of ₹300 per share (@ 3,000% on face value of ₹10/-) on the amount paid up on the equity capital of the company subject to the approval of the shareholders. If approved at the Annual General Meeting, this would result in a cash outflow of approximately ₹ 4,800 lakhs.

- g) Matters relating to the company's objective, policies and processes for managing capital are disclosed under note No. 42

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

h) Details of Promoters' shareholding as below

Shares held by the promoters as at 31 st March, 2023			
Promoter name	No. of shares	% of total shares	% Change during the year
Kotak Mahindra Bank Limited and its nominees	1,199,990	75.00%	0.00%
Kotak Mahindra Capital Company Limited	400,010	25.00%	0.00%
Total	1,600,000	100%	-

Details of Promoters' shareholding as below

Shares held by the promoters as at 31 st March, 2022			
Promoter name	No. of shares	% of total shares	% Change during the year
Kotak Mahindra Bank Limited and its nominees	1,199,990	75.00%	0.00%
Kotak Mahindra Capital Company Limited	400,010	25.00%	0.00%
Total	1,600,000	100%	-

NOTE: 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Retained earnings	687,761.16	608,827.47
Securities Premium	2,350.35	2,350.35
General Reserve	17,281.94	17,281.94
Capital Contribution from holding company	7,026.18	6,731.62
Debt instruments through Other comprehensive income	1,087.67	3,130.49
Total	715,507.30	638,321.87

Note: 22.1 Other equity movement

Retained Earnings

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balance at beginning of the year	608,827.47	506,963.57
Profit for the year	83,933.88	104,942.97
Impact of adoption of Ind AS 116 (net of deferred tax)	-	-
Remeasurement of Defined benefit plan (net of Tax)	(200.19)	120.93
Dividend paid	4,800.00	3,200.00
Balance at end of the year	687,761.16	608,827.47

Securities Premium

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balance at beginning of the year	2,350.35	2,350.35
Balance at end of the year	2,350.35	2,350.35

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

General Reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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 st March, 2023	As at 31 st March, 2022
Balance at beginning of the year	6,731.62	5,986.47
Addition during the year	294.56	745.15
Balance at end of the year	7,026.18	6,731.62

Debt instruments through Other comprehensive income

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balance at beginning of the year	3,130.49	4,341.21
Movement during the period	(2,648.88)	(1,569.92)
Income tax on net fair value gain	606.06	359.20
Balance at end of the year	1,087.67	3,130.49

Note: 22.2 Nature and purpose of reserve

Retained Earnings

Surplus in statement of Profit and loss (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 statement of Profit and loss 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.

Debt instruments through 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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 23 INTEREST INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023				Year Ended 31 st March, 2022			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through Other Comprehensive Income	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through Other Comprehensive Income	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income
Interest Income from:								
- Investments	362.24	4,766.77	4,660.34	9,789.35	518.50	4,749.31	3,001.78	8,269.59
- Deposits with banks	28,286.06	-	-	28,286.06	18,031.88	-	-	18,031.88
- Delayed payment by customers	22,075.00	-	-	22,075.00	28,132.38	-	-	28,132.38
- Margin Trading facility	44,716.79	-	-	44,716.79	35,964.03	-	-	35,964.03
- Others	17.29	-	-	17.29	153.32	-	-	153.32
Total	95,457.38	4,766.77	4,660.34	104,884.49	82,800.11	4,749.31	3,001.78	90,551.20

NOTE: 24 DIVIDEND INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Dividend income	1,728.40	2,211.29

NOTE: 25 FEES AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Income from Brokerage and Commission	144,744.49	167,444.63
Fees Income	14,193.69	15,506.70
Total	158,938.18	182,951.33

NOTE: 26 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Gain/(loss) on financial instruments at fair value through profit or loss		
- Investments (including Trading portfolio)	8,083.64	13,080.81
- Derivatives	8,067.45	7,438.17
Net gain on financial instruments measured on fair value:	16,151.09	20,518.98
Fair value changes:		
Realised*	13,928.78	12,626.34
Unrealised	2,222.31	7,892.64
Total Net gain on fair value changes	16,151.09	20,518.98

*Includes ₹ Nil (Previous Year ₹313.02 lakhs) loss on maturity of debt securities measured at FVTOCI with a corresponding credit of FVTOCI reserve amounting to ₹ Nil (Previous Year ₹ 313.02 lakhs) recycled from Other Equity.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 27 OTHER INCOME :

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Liabilities Written Back as no Longer Required	408.22	45.96
Net Gain on derecognition of Property, Plant and Equipment	16.84	115.72
Rent	1,022.05	1,041.55
Miscellaneous Income	828.86	1,280.59
Total	2,275.97	2,483.82

NOTE:28 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023 On financial liabilities measured at amortised cost	Year Ended 31 st March, 2022 On financial liabilities measured at amortised cost
Interest on Borrowings		
- Bank Overdraft	54.56	62.61
Interest on Debt Securities		
- Discount on Commercial Paper	24,643.24	14,782.70
Other interest expense		
- Margin Money and Others	1,210.45	1,599.21
- Lease liability	393.77	358.46
- Interest on Income Tax	-	195.77
- Bank Guarantee Commission and Other Charges	644.39	434.82
Total	26,946.41	17,433.57

NOTE:29 FEES AND COMMISSION EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Exchange and Depository Charges	2,282.43	5,209.17
Referral fees and Sub brokerage Expense	39,524.61	40,708.36
Total	41,807.04	45,917.53

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE:30 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023			Year Ended 31 st March, 2022		
	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	(921.80)	-	(921.80)	1,703.27	-	1,703.27
Investments	-	(8.06)	(8.06)	(0.01)	(15.12)	(15.13)
Security Deposit	0.59	-	0.59	0.02	-	0.02
Bank Balance	1.96	-	1.96	1.23	-	1.23
Fixed Deposit	100.31	-	100.31	25.31	-	25.31
Receivables*	(259.91)	-	(259.91)	63.79	-	63.79
Total	(1,078.85)	(8.06)	(1,086.91)	1,793.61	(15.12)	1,778.49

* Includes bad debts written off ₹ 92.87 lakhs (Previous year written back of ₹ 579.54 lakhs)

NOTE:31 EMPLOYEE BENEFITS EXPENSES :

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Salaries and Wages	47,646.36	42,809.71
Contribution to Provident and Other Funds (Refer Note No. 39)	2,233.66	1,864.50
Share Based Payments to employees (Refer Note No. 40)	3,409.55	2,658.99
Gratuity (Refer Note No. 39)	654.57	525.06
Compensated Absences (Refer Note No. 39)	(900.93)	302.50
Staff Welfare Expenses	438.43	284.06
Total	53,481.64	48,444.82

NOTE:32 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Depreciation of property plant and equipment	2,432.09	2,159.28
Depreciation of investment property	45.29	45.29
Amortisation of other intangible assets	2,132.82	477.41
Depreciation on Right of use asset	1,663.86	1,472.67
Total depreciation and amortisation expenses	6,274.06	4,154.65

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE:33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Rent, taxes and energy costs	5,829.24	6,482.40
Repairs and Maintenance	13,057.11	8,143.52
Insurance	521.63	370.61
Communication Costs	3,135.25	3,466.09
Printing and Stationery	198.07	179.54
Office Expenses	2,616.62	2,759.70
Advertisement and publicity	4,926.63	6,113.44
Director's fees, allowances and commission (Refer Note below)	44.80	40.00
Auditor's Fees and expenses (Refer Note below)	134.42	110.00
Legal and Professional charges	5,193.83	5,152.39
Travelling, Conveyance and Motor Car Expense	1,832.10	1,156.61
Membership and Subscription	1,071.48	1,352.62
Donations	0.50	3.00
Contribution towards Corporate Social Responsibility (Refer Note No. 45)	2,114.42	1,586.53
Common Establishment Expenses-Reimbursement	1,751.90	1,988.58
Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlements Cost (net)	478.71	164.13
Service Charges	393.04	396.09
Royalty Expenses	740.59	597.72
Miscellaneous expenses	843.59	609.61
Net Loss on Foreign Exchange Transactions	129.06	63.38
Total	45,012.99	40,735.97
Remuneration to Auditors		
(a) For audit	125.00	110.00
(b) For other services	8.00	-
(c) For reimbursement of expenses	1.42	-
Total	134.42	110.00

Note - Note - includes commission to Independent Directors of ₹ 25 Lakhs (Previous year ₹ 25 Lakhs) which is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company.

NOTE:34 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Sr No	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
A)	Profit attributable to Equity holders of Company		
	Profit attributable to equity holders (₹ In lakhs)	83,933.88	104,942.97
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	5,245.87	6,558.94

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 35 TAX EXPENSE

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Current tax expense		
Current period	28,717.11	33,724.98
Total current tax expense (A)	28,717.11	33,724.98
Deferred tax expense/ (credit)		
Origination and reversal of temporary differences	(1,108.09)	1,583.64
Deferred tax expense/ (credit) (B)	(1,108.09)	1,583.64
Tax expense for the year (A)+(B)	27,609.02	35,308.62

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023			Year Ended 31 st March, 2022		
	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)	(267.52)	67.33	(200.19)	161.61	(40.68)	120.93
Items that will be reclassified to profit or loss						
- Debt instruments through other comprehensive income	(2,648.88)	606.06	(2,042.82)	(1,256.90)	287.58	(969.32)
Total	(2,916.40)	673.39	(2,243.01)	(1,095.29)	246.90	(848.39)

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022	Year Ended 31 st March, 2022
Profit before tax	111,542.90		140,251.59	
Tax using the Company's domestic tax rate (Current year % Previous Year %)	28,073.12	25.17%	35,298.52	25.17%
Tax effect of:				
Tax impact of income not subject to tax	(788.32)	(0.71%)	(670.94)	(0.48%)
Tax effects of amounts which are not deductible for taxable income	659.32	0.59%	691.02	0.49%
Effect of different tax rate	(335.10)	(0.30%)	(9.98)	(0.01%)
Total income tax expenses	27,609.02	24.75%	35,308.62	25.18%

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023					
	Net balance 1 st April, 2022	Recognised in profit or loss	Recognised in OCI	Net balance 31 st March, 2023	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	(162.43)	(43.18)	-	(205.61)	-	(205.61)
Interest Accrued on Debentures/Bonds	(221.42)	217.91	-	(3.51)	-	(3.51)
Employee benefits	1,139.67	214.88	67.33	1,421.88	1,421.88	-
Fair Value (Gain)/loss on Investment*	(3,260.01)	950.94	606.06	(1,703.01)	-	(1,703.01)
Impairment on Financial Assets	1,240.84	(228.02)	-	1,012.82	1,012.82	-
Lease	2.31	(4.23)	-	(1.92)	-	(1.92)
Impact of Ind AS 116	193.20	-	-	193.20	193.20	-
Others	181.41	(0.22)	-	181.19	181.19	-
Total	(886.43)	1,108.08	673.39	895.04	2,809.09	(1,914.05)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2022					
	Net balance 1 st April, 2021	Recognised in profit or loss	Recognised in OCI	Net balance 31 st March, 2022	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	67.21	(229.64)	-	(162.43)	-	(162.43)
Interest Accrued on Debentures/Bonds	(359.00)	137.58	-	(221.42)	-	(221.42)
Employee benefits	804.17	376.18	(40.68)	1,139.67	1,139.67	-
Fair Value (Gain)/loss on Investment*	(1,451.73)	(2,095.86)	287.58	(3,260.01)	-	(3,260.01)
Impairment on Financial Assets	935.28	305.56	-	1,240.84	1,240.84	-
Lease	7.37	(5.06)	-	2.31	2.31	-
Impact of Ind AS 116	193.20	-	-	193.20	193.20	-
Others	182.19	(0.78)	-	181.41	181.41	-
Total	378.69	(1,512.02)	246.90	(886.43)	2,757.43	(3,643.86)

* Deferred tax impact amounting to ₹ Nil (Previous Year ₹ 71.62 lakhs) on transfer of Other comprehensive reserve to Profit and Loss on redemption of FVTOCI investment is given directly in retained earnings.

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

Particulars	31 st March, 2023	Expiry date	31 st March, 2022	Expiry date
Long term Capital Loss	-	-	291.62	2022-23
Long term Capital Loss	168.30	2026-27	657.72	2026-27
Total	168.30		949.34	

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 36 CONTINGENT LIABILITIES AND COMMITMENTS

		(₹ in Lakhs)	
Sr No	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
I	Contingent Liabilities include:		
a)	Claims against the company not acknowledged as debt	1,301.21	4,539.58
b)	Income tax matters	4,196.01	4,159.38
c)	Service tax matters	7,258.03	7,258.03
d)	Bank Guarantees given as collateral for margins to various stock exchanges against Fixed Deposit of ₹ 37,003.61 Lakhs (including accrued interest) (Previous Year ₹ 31,393.93 Lakhs) and Debentures of Face value of ₹ 32,000 lakhs (Previous Year ₹ 32,000 Lakhs)	115,525.00	104,525.00
e)	Bank Guarantees given to Department of Telecommunication against Fixed Deposit of ₹ 2.00 Lakhs (Previous Year ₹ 2.00 Lakhs)	2.00	2.00
II	Other Commitments include:		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;	1,483.50	686.96
b)	Uncalled liability on shares and investments partly paid	78,060.78	40,384.66
	Total	207,826.53	161,555.61

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 37 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 (Holds 74.99% of the equity share capital)
	(Mr. Uday S. Kotak, along with relatives and companies controlled by him, holds 25.95 % (Previous Year 25.98%) of the equity share capital and 17.26 % of the paid-up share capital of KMBL)
(b) Subsidiary	
	Kotak Mahindra Financial Services Limited
(c) Fellow subsidiaries:	
	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
	BSS Microfinance Limited
(d) Entity over which holding company has significant influence	
	Phoenix ARC Private Limited
	Infina Finance Private Limited
	ECA Trading Services Limited (Under liquidation from FY 21-22)
	RN Associates

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Sr. No.	Particulars
(e)	Associate Companies: 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 Business Standard Private Limited Komaf Financial Services Private Limited FSN E-Commerce Ventures Limited
(g)	Key Management Personnel Mr. Narayan S. A (Chairman) Mr. K.V.S. Manian (Non Executive Director) Mr. Jaideep Hansraj (Managing Director) Mr. Noshir Dastur (Independent Director) Mrs. Falguni Nayar (Independent Director) Mr Vikas Tarekar (Company Secretary)
(h)	Key Management Personnel of Holding Company Mr. Uday Kotak (Managing Director & CEO) Mr. Dipak Gupta (Joint Managing Director) Mr. K.V.S. Manian (Director) Mr. Gaurang Shah (Director) Mr. C.Jayaram (Director) Mr. Jaimin Bhatt (Group CFO) Mrs. Avaan Doomasia (Company Secretary) Ms. Shanti Ekambaram (Director) Mr. Amit Krishnakant Desai (Director)
(i)	Relatives of Key Management Personnel/Persons having significant influence Mr. Suresh Kotak (father of Mr. Uday Kotak) Mr Jay Kotak (son of Mr. Uday Kotak) Mrs. Aarti Neal Chandaria (sister of Mr. Uday Kotak) Ms Suresh Kotak (HUF) Mrs Indira Suresh Kotak (mother of Mr. Uday Kotak) Mr. Dhawal Kotak (son of Mr. Uday Kotak) Mrs. Rekha Narayan (wife of Mr. Narayan S.A.) Mr Siddharth Narayan (son of Mr. Narayan S.A.) Mr. Ramprasad Subramaniam (brother of Mr. Narayan S A) Narayan SA – HUF Mrs. Archana Jaideep Hansraj (wife of Mr. Jaideep Hansraj) Mr. Sanjeev Hansraj (brother of Mr. Jaideep Hansraj) Mr K Madhavan Kutty (father of Mr. C Jayaram) Mr Vivek Jayaram Menon (son of Mr. C Jayaram) Ms. Nayantara Menon (Daughter of Mr. C Jayaram) Mrs. Priyanka Pande (Mr. C Jayaram son's wife) Mrs Pragna Jaimin Bhatt (wife of Mr. Jaimin Bhatt)

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Sr. No.	Particulars
	Mrs Indira Mukundchandra Bhatt (mother of Mr. Jaimin Bhatt)
	Ms. Ishita Bhatt (Sister of Mr. Jaimin Bhatt)
	Mrs Divya Shah (wife of Mr. Gaurang Shah)
	Ms. Mahima Shah (Daughter of Mr. Gaurang Shah)
	Mrs. Lalitha Mohan (sister of KVS Manian)
	Mrs. Urmila Gupta (Mother of Mr. Dipak Gupta)
	Mr. Prabhat Gupta (Brother of Mr. Dipak Gupta)
	Mr Sanjay Nayar (husband of Mrs. Falguni Nayar)
	Mr. Anchit Nayar (Son of Mrs. Falguni Nayar)
	Mrs. Bayjool Desai (Wife of Mr. Amit Desai)
	Mr. Ritish Desai (Son of Mr. Amit Desai)
	Mr. Kayomars Faramarz Doomasia (Husband of Mrs. Avaan Doomasia)
	Mrs. G Saraswathi (Mother of Shanti Ekambaram)
	Mrs. Shobha Srivastava (Sister of Shanti Ekambaram)

(j) Post Employment Benefits Plan

Kotak Securities Limited Employees Gratuity Fund

Transactions with key management personnel

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

(a) Key management personnel compensation

		(₹ in Lakhs)	
Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
	Managing Director		
i.	Short-term employee benefits	605.90	451.74
ii.	Post-employment defined benefit	13.92	12.43
iii.	Shared based payments	54.36	280.29
	Total	674.18	744.46

The total remuneration paid to Key Managerial personnel (Managing Directors and others) amounts to ₹ 692.99 Lakhs (Previous year ₹ 744.46 Lakhs)

(b) Transactions with related parties

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

A. During the year following transaction were entered into with related parties in the ordinary course of business:

		(₹ in Lakhs)	
Particulars		Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
I. Holding Company			
-Kotak Mahindra Bank Limited (KMBL)			
Transactions during the year :			
Purchase of Bonds/Debentures		2,487.67	-
Fixed Deposits Placed		3,882.89	12,22,879.82

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Fixed Deposits Repaid	2,576.88	12,67,916.04
Interest Received on Fixed Deposits	78.59	1,436.11
Deemed Capital Contribution (Refer note no. 22.1)	294.56	745.15
Brokerage Earned	20.97	105.35
Fee Income	-	0.01
Expense reimbursements paid	2,253.60	2,168.17
Expense reimbursements received	201.62	92.38
Rent expense	2,459.35	2,432.71
Referral Fee Expense	13,391.53	17,408.98
Royalty Expense	740.59	571.98
Other Expenses	86.77	74.35
Rent income	1,005.01	1,005.01
Fixed Asset Purchased	10.47	-
Bank Guarantee	2.00	2.00
Dividend Paid on Equity shares	3,599.97	2,399.98
II. Subsidiary		
Kotak Mahindra Financial Services Limited		
Transactions during the year :	-	-
III. Fellow Subsidiaries		
Transactions during the year :		
Purchase of Bonds/Debentures		
-Kotak Mahindra Investments Limited	30,128.28	11,661.18
Interest on Non Convertible Debentures		
-Kotak Mahindra Investments Limited	1,555.50	1,555.50
Fee Income		
-Kotak Mahindra Asset Management Company Limited	58.26	17.05
-Kotak Mahindra Capital Company Limited	4,963.10	12,882.13
-Kotak Mahindra Investments Limited	0.24	0.62
-Kotak Investment Advisors Limited	83.25	76.23
-BSS Microfinance Limited	0.01	-
Expense reimbursement to other company		
-Kotak Investment Advisors Limited	5.79	41.20
-Kotak Mahindra Asset Management Company Limited	-	1.00
-Kotak Mahindra Capital Company Limited	448.69	395.39
-Kotak Mahindra Life Insurance Company Limited	-	0.66
-Kotak Mahindra Inc	2,532.55	1,967.43
-Kotak Mahindra (UK) Limited	1,570.84	1,678.52
Expense reimbursement from other company		
-Kotak Investment Advisors Limited	30.97	36.69
-Kotak Mahindra Asset Management Company Limited	15.85	24.20
-Kotak Mahindra Capital Company Limited	169.05	181.63
-Kotak Mahindra Investments Limited	3.86	0.22
-Kotak Mahindra Life Insurance Company Limited	28.40	12.00
-Kotak Mahindra General Insurance Company Limited	0.46	0.31

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Other Expenses		
-Kotak Mahindra Capital Company Limited	7,229.80	4,111.70
-Kotak Mahindra Life Insurance Company Limited	241.26	205.88
-Kotak Mahindra General Insurance Company Limited	47.01	38.13
Other Income		
-Kotak Mahindra Life Insurance Company Limited	538.58	174.86
-Kotak Mahindra General Insurance Company Limited	24.27	0.99
Rent expense		
-Kotak Mahindra Capital Company Limited	25.32	25.71
Rent Income		
-Kotak Mahindra Capital Company Limited	13.11	28.68
-Kotak Mahindra Investments Limited	3.93	7.86
Brokerage Earned		
-Kotak Mahindra International Limited	-	3.27
-Kotak Mahindra Investments Limited	22.75	33.99
-Kotak Mahindra Life Insurance Company Limited	130.11	233.24
Dividend Paid on Equity shares		
-Kotak Mahindra Capital Company Limited	1,200.03	800.02
Property Plant and Equipment Sold		
-Kotak Mahindra Life Insurance Company Limited	-	0.18
IV. Entities over which holding company has significant influence		
Transactions during the year :		
Interest On Debentures		
-Phoenix ARC Private Limited	362.24	518.50
Investment Redeemed		
-ECA Trading Services Limited (Under liquidation from FY 21-22)	-	198.21
-Phoenix ARC Private Limited	5,000.00	-
Brokerage Earned		
-Infina Finance Private Limited	42.86	70.72
-RN Associates	0.13	0.04
-Phoenix ARC Private Limited	0.63	-
Fee Income		
-Infina Finance Private Limited	0.01	0.03
-Phoenix ARC Private Limited	2.14	-
-RN Associates	0.02	-
Rent Expense		
-Infina Finance Private Limited	-	1.03
Rent Income		
-ECA Trading Services Limited (Under liquidation from FY 21-22)	-	0.60
-Infina Finance Private Limited	-	0.57

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

		(₹ in Lakhs)	
Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022	
V. Associate Company			
Transactions during the year :			
Dividend on Equity shares			
-Kotak Mahindra Prime Limited	856.30	685.04	
Interest On Debentures			
-Kotak Mahindra Prime Limited	1,369.66	2,085.55	
Debentures Redemmed			
-Kotak Mahindra Prime Limited	2,500.00	24,000.00	
Brokerage Earned			
-Kotak Mahindra Prime Limited	3.00	9.49	
Fee Income			
-Kotak Mahindra Prime Limited	3.43	2.46	
Expense reimbursement to other company			
-Kotak Mahindra Prime Limited	-	0.24	
Expense reimbursement by other company			
-Kotak Mahindra Prime Limited	0.80	-	
VI. Key Management Personnel (KMP)			
Transactions during the year :			
Brokerage Earned			
-Narayan S A	0.28	0.45	
-K V S Manian	1.31	1.51	
-Jaideep Hansraj	1.28	2.71	
Fee Income			
-Jaideep Hansraj	-	0.01	
-Narayan S A	0.04	0.04	
Purchase of Bonds/Debentures			
-Narayan S A	252.34	-	
Director's sitting fees and commission			
-Mr Noshir Dastur *	23.90	21.20	
-Mrs. Falguni Nayar *	20.90	18.80	
Purchase of Bonds/Debentures			
-Narayan S A	153.49	-	
Sale of Unlisted Securities			
-Narayan S A	98.85	-	
VII. KMP of holding company			
Transactions during the year :			
Brokerage Earned			
-Mr. Uday S. Kotak	1.62	-	
-C Jayaram	1.75	1.79	
-Dipak Gupta	1.40	0.60	
-Jaimin Bhatt	1.89	1.18	
-Gaurang Shah	1.70	1.10	

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
-Amit Krishnakant Desai	0.67	-
-Shanti Ekambaram	0.48	-
Fee Income		
-Jaimin Bhatt	0.02	0.03
-Amit Krishnakant Desai	0.08	-
Rent expense		
-Mr. Uday S. Kotak	8.24	8.24
Sale of Bonds/Debentures		
-Mr. Uday S. Kotak	2,835.11	4,303.31
VIII. Relatives of Key Management Personnel/Persons having significant influence		
Transactions during the year :		
Brokerage Earned		
-Rekha Narayan	0.07	0.07
-Suresh Kotak	-	-*
-Indira Suresh Kotak	-*	-*
-Siddharth Narayan	0.02	-*
-Divya Shah	-	0.01
-Pragna Jaimin Bhatt	0.02	0.01
-Narayan SA - HUF	0.04	0.38
-Lalitha Mohan	0.01	0.11
-Sanjeev Hansraj	2.18	4.16
-Indira Mukundchandra Bhatt	0.01	-*
-Nayantara Menon	0.03	-
-Ishita Bhatt	0.01	-
-Urmila Gupta	0.49	-
-Prabhat Gupta	1.15	-
-Mahima Shah	0.08	-
-Bayjool Desai	0.07	-
Fee Income		
-Aarti Neal Chandaria	0.02	0.02
-Archana Jaideep Hansraj	0.01	0.01
-Narayan SA - HUF	0.11	0.39
-Sanjeev Hansraj	0.19	0.15
-K. Madhavan Kutty	0.02	0.01
-Divya Shah	-	0.02
-Vivek Jayaram Menon	0.01	0.01
-Dhawal Kotak	-*	-*
-Rekha Narayan	0.02	-*
-Indira Mukundchandra Bhatt	0.01	-*
-Siddharth Narayan	0.01	-
-Suresh Kotak (HUF)	0.01	-
-Ramprasad Subramaniam	0.01	-

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

		(₹ in Lakhs)	
Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022	
-Mr. Anchit Nayar	0.01	-	
-Priyanka Pande	0.01	-	
-Ishita Bhatt	0.01	-	
-Kayomars Faramarz Doomasia	0.01	-	
-Mahima Shah	0.06	-	
-Bayjool Desai	0.02	-	
-Ritish Desai	0.01	-	
IX. Entities over which relative of director has significant influence			
Transactions during the year :			
Brokerage Earned			
-Kotak Commodity Services Private Limited	34.01	32.24	
Fee Income			
-Kotak Commodity Services Private Limited	52.50	24.78	
Other Expenses			
-Business Standard Private Limited	-	2.00	
* Amount less than Rs 500			
*Note - Commission to Independent Directors is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company			
(c) Balances with related parties			
I. Holding Company			
-Kotak Mahindra Bank Limited (KMBL)			
Bank Balance	8,876.15	2,058.34	
Fixed Deposits Placed	2,750.81	1,444.80	
Interest accrued on Fixed Deposits placed	7.55	6.31	
Payable-Secondary		11.06	
Payable (Others)	1,059.77	607.48	
Receivable-Secondary	0.17	-	
Deemed Capital Contribution - Employee ESOP	7,026.18	6,731.62	
II. Subsidiary			
Kotak Mahindra Financial Services Limited			
Investments in Shares	585.57	585.57	
III. Fellow Subsidiaries			
Non Convertible Debentures Subscribed			
-Kotak Mahindra Investments Limited	18,050.73	19,172.87	
Interest Accrued on Non Convertible Debentures			
-Kotak Mahindra Investments Limited	198.47	200.93	
Receivable-Secondary			
-Kotak Mahindra Capital Company Limited	-	0.01	
-BSS Microfinance Limited	0.05	-	
-Kotak Mahindra Life Insurance Company Limited		1.50	
-Kotak Investment Advisors Limited	0.40	-	

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
-Kotak Mahindra Investments Limited Payable-Secondary	0.34	-
-Kotak Mahindra Investments Limited Receivable (Others)	-	174.98
-Kotak Mahindra Asset Management Company Limited	14.41	-
-Kotak Mahindra Capital Company Limited	326.68	-
-Kotak Mahindra Investments Limited	0.02	1.44
-Kotak Mahindra Life Insurance Company Limited	243.76	86.87
-Kotak Investment Advisors Limited	109.82	-
-Kotak Mahindra General Insurance Company Limited Payable (Others)	3.07	3.02
-Kotak Investment Advisors Limited	-	119.10
-Kotak Mahindra Capital Company Limited	-	593.21
-Kotak Mahindra Inc	157.67	769.19
-Kotak Mahindra (UK) Limited	139.51	156.28
IV. Entities over which holding company has significant influence		
Non Convertible Debentures Subscribed		
Phoenix ARC Private Limited	-	4,987.02
Interest Accrued On Debenture		
Phoenix ARC Private Limited	-	156.26
Payable-Secondary		
-Infina Finance Private Limited	90.32	1,517.38
-RN Associates	1.22	19.47
Receivable (Others)		
-Infina Finance Private Limited	-	0.39
V. Associate Company		
Investment in Equity share		
-Kotak Infrastructure Debt fund Limited	9,300.00	9,300.00
Non Convertible Debentures Subscribed		
-Kotak Mahindra Prime Limited	14,273.28	17,324.29
Interest Accrued On Debenture		
-Kotak Mahindra Prime Limited	376.15	508.64
Investments in Shares		
-Kotak Mahindra Prime Limited	27,080.69	27,080.69
Receivable-Secondary		
-Kotak Mahindra Prime Limited	0.42	0.44
Payable (Others)		
-Kotak Mahindra Prime Limited	0.02	0.17
VI. Key Management Personnel (KMP)		
Payable-Secondary		
-Narayan S A	0.40	-
-Jaimin Bhatt	0.01	-
-Jaideep Hansraj	-	245.96
Payable (Others)		

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
-Mr Noshir Dastur	12.50	12.50
-Mrs. Falguni Nayar	12.50	12.50
VII. Relatives of Key Management Personnel/Persons having significant influence		
Receivable-Secondary		
-Jay Kotak	-	0.02
-Archana Jaideep Hansraj	0.04	0.03
-Suresh Kotak (HUF)	0.01	-
-K. Madhavan Kutty	0.12	0.09
Dhawal Kotak	0.02	0.02
Narayan SA - HUF	0.01	-
Ramprasad Subramaniam	0.01	-
G. Saraswathi	0.02	0.02
Shobha Srivastava	0.03	0.03
Payable-Secondary		
-Ishita Bhatt	0.01	-
-Divya Shah	-	0.01
-Sanjay Nayar	0.01	0.01
-Narayan SA - HUF	-	0.02
-Sanjeev Hansraj	4.25	74.86
-Rekha Narayan	5.38	0.04
VIII. Entities over which relative of director has significant influence		
Receivable-Secondary		
-Kotak Commodity Services Private Limited	26.71	409.10
-FSN E-Commerce Ventures Limited	0.01	-
IX. Post Employment Benefits Plan		
Kotak Securities Limited Employees Gratuity Fund *	-	-

* Kindly refer note 39 for details

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE: 38 LEASE

1 Leases

The Company leases several assets including premises, Car Parking, VSAT. The lease term range from 1.5 years to 10 years. The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements. There are escalation clauses in the lease agreements. These lease agreements are executed in favour of the Company.

The Company leases several assets including premises, IT equipment's, etc. Information about the leases for which the Company is a lessee is presented below:

(₹ in Lakhs)

Particulars	Right-of-use assets (Premises, Car Parking, IT Equipments)
Gross Block	
Opening Balance as at April 1, 2021	8,286.48
Additions during the year	1,555.06
Disposals during the year	1,333.61
Impairment	-
Closing Balance as at March 31, 2022	8,507.93
Accumulated Depreciation	
Opening Balance as at April 1, 2021	4,153.59
Depreciation for the year	1,472.67
Disposals during the year	1,288.19
Closing Balance as at March 31, 2022	4,338.07
Net carrying amount as on 31-March-2022	4,169.86
Opening Balance as at April 1, 2022	8,507.93
Additions during the year	3,132.99
Disposals during the year	1,039.22
Impairment	-
Closing Balance as at March 31, 2023	10,601.70
Accumulated Depreciation	
Opening Balance as at April 1, 2022	4,338.06
Depreciation for the year	1,663.86
Disposals during the year	1,002.79
Closing Balance as at March 31, 2023	4,999.13
Net carrying amount as on 31-March-2023	5,602.57

2 Amounts recognised in profit and loss

(₹ in Lakhs)

	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Depreciation charged for the year	1,663.86	1,472.67
Interest expense on lease liabilities	393.77	358.46
Expense relating to short-term leases	2,614.93	2,547.72
Expense relating to leases of low value assets	39.47	28.34

3 Amounts recognised in statement of cash flows

The total cash outflow for leases amount to INR 2073.17 Lakhs

4 Maturity analysis

(₹ in Lakhs)

	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Not later than 1 year	1,977.14	1,714.14
Later than 1 year and not later than 5 years	4,704.81	3,773.62
Later than 5 years	769.02	184.99
	7,450.96	5,672.75

The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's treasury function.

5 Short term leases and Leases of low value assets

The Company has elected not to recognise right of use assets and lease liabilities for short term leases of premises that have a lease term of 12 months or less and leases of low value assets. The company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE 39: 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 ₹ 2128.15 lakhs (previous year ₹ 1,770.82 lakhs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹ 1.00 lakh (previous year ₹ 1.00 lakh) 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 funded 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 st March, 2023	As at 31 st March, 2022
Present value of funded defined benefit obligation (A)	3,757.03	3,622.52
Fair value of plan assets (B)	(3,346.28)	(3,859.62)
Net (asset) / liability recognised in the Balance Sheet (A-B)	410.75	(237.10)

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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Opening balance	3,622.52	3,390.12	3,859.63	3,636.00	(237.11)	(245.88)
Included in profit or loss						
Current service cost	690.56	558.91	-	-	690.56	558.91
Past service cost	-	-	-	-	-	-
Interest cost (income)	223.65	192.89	259.63	226.74	(35.99)	(33.84)
	4,536.73	4,141.92	4,119.26	3,862.74	417.46	279.19
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	82.03	-	-	-	82.03	-
Financial assumptions	(109.28)	(1.07)	-	-	(109.28)	(1.07)
Experience adjustment	(1.72)	144.23	-	-	(1.72)	144.23
Actual return on plan assets less interest on plan assets	-	-	(296.49)	304.77	296.49	(304.77)
	(28.97)	143.16	(296.49)	304.77	267.52	(161.61)
Other						
Contributions paid by the employer	-	-	276.94	349.47	(276.94)	(349.47)
Benefits paid	(753.42)	(657.35)	(753.42)	(657.35)	-	-
Liabilities assumed / (settled)	2.70	(5.20)	-	-	2.70	(5.20)
Closing balance	3,757.03	3,622.52	3,346.29	3,859.63	410.74	(237.10)
Represented by						
Net defined benefit asset	-	-	-	-	-	237.10
Net defined benefit liability	-	-	-	-	410.74	-

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 st March, 2023	As at 31 st March, 2022
Discount rate (p.a.)	7.30%	6.70%
Salary escalation rate (p.a.)	7.00%	12.00% until year 1 inclusive, then 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 assumptions	As at 31 st March, 2023		As at 31 st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(86.33)	90.61	(121.01)	128.78
Future salary growth (0.5% movement)	62.28	(61.44)	91.46	(89.30)

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.

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 in FY 23-24 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-23	Mar-22
Expected benefits for Year 1	992.58	569.06
Expected benefits for Year 2	662.96	486.31
Expected benefits for Year 3	505.72	397.27
Expected benefits for Year 4	421.30	344.96
Expected benefits for Year 5	377.30	333.32
Expected benefits for Year 6	361.03	314.11
Expected benefits for Year 7	255.76	328.58
Expected benefits for Year 8	242.66	261.77
Expected benefits for Year 9	246.54	259.59
Expected benefits for Year 10 and above	1,651.45	3,064.19

Asset information

Particulars	31 st March, 2023	31 st March, 2022
Insurer managed funds	100%	100%

Compensated Absence

The liability towards compensated absences is based on actuarial valuation carried out by using the projected unit credit method.

Maturity profile	As at 31 st March 2023	As at 31 st March 2022
Discount rate (p.a.)	7.30%	6.70%
Salary escalation rate (p.a.)	7.00%	12.00% until year 1 inclusive, then 7.00%

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE 40 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

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

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

Consequent to the above, the Bank has granted stock options to employees of the Company.

Details of Employee Stock Option Outstanding as at 31st March 2023

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015-19					
D	20-May-19	Equity settled	15,331	31-Dec-22	4.12
ESOP 2015-25					
B	7-Aug-20	Equity settled	2,477	30-Nov-22	2.82
C	7-Aug-20	Equity settled	7,950	30-Jun-23	3.40
D	7-Aug-20	Equity settled	7,950	31-Dec-23	3.90
ESOP 2015-30					
B	30-May-21	Equity settled	14,319	30-Jun-23	2.58
C	30-May-21	Equity settled	14,319	30-Jun-24	3.59
D	30-May-21	Equity settled	14,351	30-Jun-25	4.59
ESOP 2015-34					
A	10-May-22	Equity settled	8,231	31-May-23	1.56
B	10-May-22	Equity settled	8,231	31-May-24	2.56
C	10-May-22	Equity settled	8,231	31-May-25	3.56
D	10-May-22	Equity settled	8,227	31-May-26	4.56
ESOP 2015-39					
A	18-Oct-22	Equity settled	2,210	31-Oct-23	1.54
B	18-Oct-22	Equity settled	2,210	31-Oct-24	2.54
C	18-Oct-22	Equity settled	2,210	31-Oct-25	3.54
D	18-Oct-22	Equity settled	2,210	31-Oct-26	4.54

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Details of Employee Stock Option Outstanding as at 31st March 2022

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015-14					
D	18-May-18	Equity settled	71,809	31-Dec-21	4.12
ESOP 2015-19					
B	20-May-19	Equity settled	50,478	31-Oct-21	2.95
C	20-May-19	Equity settled	105,424	30-Jun-22	3.62
D	20-May-19	Equity settled	105,424	31-Dec-22	4.12
ESOP 2015-25					
B	7-Aug-20	Equity settled	75,276	30-Nov-22	2.81
C	7-Aug-20	Equity settled	50,184	30-Jun-23	3.40
D	7-Aug-20	Equity settled	50,184	31-Dec-23	3.90
ESOP 2015-30					
A	30-May-21	Equity settled	54,335	30-Jun-22	1.58
B	30-May-21	Equity settled	54,335	30-Jun-23	2.58
C	30-May-21	Equity settled	54,335	30-Jun-24	3.59
D	30-May-21	Equity settled	54,395	30-Jun-25	4.59

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

As at 31st March, 2023

Scheme	Grant Date	Vesting period		Exercise 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	From	To
2015 - 30	30-May-21	1.08	4.09	1.58	4.59	1.34	4.34	1,801.00	1,800.75	4.05%	5.53%	0.05%	29.80%	42.76%	390.94	609.04
2015-14	18-May-18	1.20	3.62	1.71	4.12	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70
2015-19	20-May-19	1.20	3.62	1.70	4.12	1.45	3.87	1,460.00	1,460.00	6.63%	7.03%	0.05%	21.16%	31.00%	230.35	508.28
2015-25	7-Aug-20	1.07	3.40	1.56	3.90	1.31	3.65	1,341.00	1,340.10	3.61%	5.06%	0.06%	29.29%	39.75%	267.12	395.03
2015 - 34	10-May-22	1.06	4.06	1.56	4.56	1.31	4.31	1,798.00	1,767.50	5.75%	7.26%	0.06%	27.72%	31.40%	268.84	654.77
2015 - 39	18-Oct-22	1.04	4.04	1.53	4.54	1.28	4.29	1,834.00	1,858.15	7.01%	7.52%	0.06%	26.77%	31.76%	315.30	721.39

As at 31st March, 2022

Scheme	Grant Date	Vesting period		Exercise 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	From	To
2015 - 30	30-May-21	1.08	4.09	1.58	4.59	1.34	4.34	1,801.00	1,800.75	4.05%	5.53%	0.05%	29.80%	42.76%	390.94	609.04
2007-47	9-May-15	1.40	3.65	1.90	4.15	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	1.87	3.87	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	3.87	3.87	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	3.39	4.39	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	1.79	4.13	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-11	6-Sep-17	1.65	3.15	2.15	3.65	1.90	3.40	988.40	988.40	6.39%	6.55%	0.06%	19.76%	34.28%	166.29	324.06
2015-14	18-May-18	1.20	3.62	1.71	4.12	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70
2015-19	20-May-19	1.20	3.62	1.70	4.12	1.45	3.87	1,460.00	1,460.00	6.63%	7.03%	0.05%	21.16%	31.00%	230.35	508.28
2015-25	7-Aug-20	1.07	3.40	1.56	3.90	1.31	3.65	1,341.00	1,340.10	3.61%	5.06%	0.06%	29.29%	39.75%	267.12	395.03

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2023.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2023

Scheme	Grant Date	31 st March, 2023					31 st March, 2022				
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/(Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2015 - 07	15-May-17	-	-	-	-	-	-	44,374	-	-	-
ESOP 2015 - 14	18-May-18	71,809	-	(70,723)	-	(1,086)	-	288,213	-	(1,538)	55,405
ESOP 2015 - 19	20-May-19	261,326	-	(1,48,470)	(1,562)	(3,395)	(27,866)	397,439	-	-	45,719
ESOP 2015 - 25	7-Aug-20	175,644	-	(36,475)	(3,136)	-	(5,440)	278,070	-	(2)	1,400
ESOP 2015 - 30	31-May-21	217,400	-	(34,402)	(5,108)	(13,388)	(9,498)	-	222,860	-	-
ESOP 2015 - 34	10-May-22	-	273,060	-	-	-	-	-	-	-	-
ESOP 2015 - 39	18-Oct-22	-	8,840	-	-	-	-	-	-	-	-
Total		726,179	281,900	(290,070)	(9,806)	(17,869)	(42,804)	1,008,096	222,860	(41,475)	102,524

* This represents transfer of employees within Bank and its subsidiaries

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,826.24 (Previous year: ₹ 1,836.77).

The details of exercise price for stock options outstanding at the end of the year are:

ESOP Scheme	Range of exercise prices (₹)	31 st March, 2023			31 st March, 2022		
		Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
ESOP 2015 - 14	1201 - 1300	-	-	-	71,809	0.25	1,271.00
ESOP 2015 - 19	1401 - 1500	80,033	0.25	1,460.00	261,326	1.64	1,460.00
ESOP 2015 - 25	1301 - 1400	130,593	0.78	1,341.00	175,644	0.82	1,341
ESOP 2015 - 30	1801 - 1900	155,004	1.75	1,801.00	217,400	2.25	1,801
ESOP 2015 - 34	1701 - 1800	273,060	2.17	1,798.00	-	-	-
ESOP 2015 - 39	1801 - 1900	8,840	2.58	1,834.00	-	-	-

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

ii. Stock Appreciation Rights (cash-settled)

A. Description of Stock Appreciation Rights (cash-settled) share-based payment arrangements

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 2,03,800 SARs during FY 2022- 23. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 0.17 years to 4.21 years.

Stock Appreciation Rights outstanding as at 31st March 2023

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/25	19/07/2019	Cash settled	889	31/07/2023	4.04
2015/25	19/07/2019	Cash settled	889	07/08/2023	4.05
2015/25	19/07/2019	Cash settled	890	14/08/2023	4.07
2015/28	07/08/2020	Cash settled	3,996	30/06/2023	2.90
2015/28	07/08/2020	Cash settled	4,051	07/07/2023	2.92
2015/28	07/08/2020	Cash settled	4,035	14/07/2023	2.93
2015/28	07/08/2020	Cash settled	3,996	31/12/2023	3.40
2015/28	07/08/2020	Cash settled	4,051	07/01/2024	3.42
2015/28	07/08/2020	Cash settled	4,035	14/01/2024	3.44
2015/31	07/08/2020	Cash settled	5,218	31/08/2023	3.07
2015/31	07/08/2020	Cash settled	5,218	07/09/2023	3.08
2015/31	07/08/2020	Cash settled	5,218	14/09/2023	3.10
2015/31	07/08/2020	Cash settled	3,468	31/08/2024	4.07
2015/31	07/08/2020	Cash settled	3,468	07/09/2024	4.09
2015/31	07/08/2020	Cash settled	3,500	14/09/2024	4.11
2015/32	30/05/2021	Cash settled	6,143	30/06/2023	2.08
2015/32	30/05/2021	Cash settled	6,143	07/07/2023	2.10
2015/32	30/05/2021	Cash settled	6,207	14/07/2023	2.12
2015/32	30/05/2021	Cash settled	6,143	30/06/2024	3.09
2015/32	30/05/2021	Cash settled	6,143	07/07/2024	3.11
2015/32	30/05/2021	Cash settled	6,207	14/07/2024	3.13
2015/32	30/05/2021	Cash settled	6,157	30/06/2025	4.09
2015/32	30/05/2021	Cash settled	6,157	07/07/2025	4.11
2015/32	30/05/2021	Cash settled	6,227	14/07/2025	4.13
2015/35	17/06/2021	Cash settled	390	30/06/2023	2.04
2015/35	17/06/2021	Cash settled	390	07/07/2023	2.05
2015/35	17/06/2021	Cash settled	392	14/07/2023	2.07
2015/35	17/06/2021	Cash settled	390	30/06/2024	3.04
2015/35	17/06/2021	Cash settled	390	07/07/2024	3.06
2015/35	17/06/2021	Cash settled	392	14/07/2024	3.08
2015/35	17/06/2021	Cash settled	391	30/06/2025	4.04
2015/35	17/06/2021	Cash settled	391	07/07/2025	4.06
2015/35	17/06/2021	Cash settled	392	14/07/2025	4.08
2015/40	10/05/2022	Cash settled	14,431	31/05/2023	1.06
2015/40	10/05/2022	Cash settled	14,431	07/06/2023	1.08
2015/40	10/05/2022	Cash settled	14,436	14/06/2023	1.10
2015/40	10/05/2022	Cash settled	14,431	31/05/2024	2.06
2015/40	10/05/2022	Cash settled	14,431	07/06/2024	2.08
2015/40	10/05/2022	Cash settled	14,436	14/06/2024	2.10
2015/40	10/05/2022	Cash settled	14,431	31/05/2025	3.06
2015/40	10/05/2022	Cash settled	14,431	07/06/2025	3.08
2015/40	10/05/2022	Cash settled	14,436	14/06/2025	3.10
2015/40	10/05/2022	Cash settled	14,407	31/05/2026	4.06
2015/40	10/05/2022	Cash settled	14,407	07/06/2026	4.08
2015/40	10/05/2022	Cash settled	14,408	14/06/2026	4.10
2015/45	10/05/2022	Cash settled	1,057	31/05/2023	1.06
2015/45	10/05/2022	Cash settled	1,057	07/06/2023	1.08
2015/45	10/05/2022	Cash settled	1,056	14/06/2023	1.10
2015/45	10/05/2022	Cash settled	1,057	31/05/2024	2.06

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Stock Appreciation Rights outstanding as at 31st March 2023

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/45	10/05/2022	Cash settled	1,057	07/06/2024	2.08
2015/45	10/05/2022	Cash settled	1,056	14/06/2024	2.10
2015/45	10/05/2022	Cash settled	1,057	31/05/2025	3.06
2015/45	10/05/2022	Cash settled	1,057	07/06/2025	3.08
2015/45	10/05/2022	Cash settled	1,056	14/06/2025	3.10
2015/45	10/05/2022	Cash settled	1,057	31/05/2026	4.06
2015/45	10/05/2022	Cash settled	1,057	07/06/2026	4.08
2015/45	10/05/2022	Cash settled	1,056	14/06/2026	4.10
2015/45	10/05/2022	Cash settled	1,057	31/05/2027	5.06
2015/45	10/05/2022	Cash settled	1,057	07/06/2027	5.08
2015/45	10/05/2022	Cash settled	1,056	14/06/2027	5.10
2015/48	27/08/2022	Cash settled	196	31/08/2023	1.01
2015/48	27/08/2022	Cash settled	196	07/09/2023	1.03
2015/48	27/08/2022	Cash settled	196	14/09/2023	1.05
2015/48	27/08/2022	Cash settled	196	31/08/2024	2.01
2015/48	27/08/2022	Cash settled	196	07/09/2024	2.03
2015/48	27/08/2022	Cash settled	196	14/09/2024	2.05
2015/48	27/08/2022	Cash settled	261	31/08/2025	3.01
2015/48	27/08/2022	Cash settled	261	07/09/2025	3.03
2015/48	27/08/2022	Cash settled	262	14/09/2025	3.05
2015/51	18/10/2022	Cash settled	224	31/10/2023	1.04
2015/51	18/10/2022	Cash settled	224	07/11/2023	1.05
2015/51	18/10/2022	Cash settled	232	14/11/2023	1.07
2015/51	18/10/2022	Cash settled	224	31/10/2024	2.04
2015/51	18/10/2022	Cash settled	224	07/11/2024	2.06
2015/51	18/10/2022	Cash settled	232	14/11/2024	2.08
2015/51	18/10/2022	Cash settled	224	31/10/2025	3.04
2015/51	18/10/2022	Cash settled	224	07/11/2025	3.06
2015/51	18/10/2022	Cash settled	232	14/11/2025	3.08
2015/51	18/10/2022	Cash settled	224	31/10/2026	4.04
2015/51	18/10/2022	Cash settled	224	07/11/2026	4.06
2015/51	18/10/2022	Cash settled	232	14/11/2026	4.08

Stock Appreciation Rights outstanding as at 31st March 2022

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/22	20/05/2019	Cash settled	5,398	30/06/2022	3.12
2015/22	20/05/2019	Cash settled	5,394	07/07/2022	3.13
2015/22	20/05/2019	Cash settled	5,394	14/07/2022	3.15
2015/22	20/05/2019	Cash settled	5,398	31/12/2022	3.62
2015/22	20/05/2019	Cash settled	5,394	07/01/2023	3.64
2015/22	20/05/2019	Cash settled	5,394	14/01/2023	3.66
2015/25	19/07/2019	Cash settled	667	31/07/2022	3.04
2015/25	19/07/2019	Cash settled	667	07/08/2022	3.05
2015/25	19/07/2019	Cash settled	667	14/08/2022	3.07
2015/25	19/07/2019	Cash settled	889	31/07/2023	4.04
2015/25	19/07/2019	Cash settled	889	07/08/2023	4.05
2015/25	19/07/2019	Cash settled	890	14/08/2023	4.07
2015/28	07/08/2020	Cash settled	6,581	30/11/2022	2.32
2015/28	07/08/2020	Cash settled	6,581	07/12/2022	2.33
2015/28	07/08/2020	Cash settled	6,581	14/12/2022	2.35
2015/28	07/08/2020	Cash settled	4,352	30/06/2023	2.90
2015/28	07/08/2020	Cash settled	4,413	07/07/2023	2.92
2015/28	07/08/2020	Cash settled	4,397	14/07/2023	2.93
2015/28	07/08/2020	Cash settled	4,352	31/12/2023	3.40
2015/28	07/08/2020	Cash settled	4,413	07/01/2024	3.42
2015/28	07/08/2020	Cash settled	4,397	14/01/2024	3.44

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Stock Appreciation Rights outstanding as at 31st March 2022

Scheme Reference	Grant Date	Method of Settlement Accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/31	07/08/2020	Cash settled	5,218	31/08/2023	3.07
2015/31	07/08/2020	Cash settled	5,218	07/09/2023	3.08
2015/31	07/08/2020	Cash settled	5,218	14/09/2023	3.10
2015/31	07/08/2020	Cash settled	3,468	31/08/2024	4.07
2015/31	07/08/2020	Cash settled	3,468	07/09/2024	4.09
2015/31	07/08/2020	Cash settled	3,500	14/09/2024	4.11
2015/32	30/05/2021	Cash settled	6,464	30/06/2022	1.08
2015/32	30/05/2021	Cash settled	6,464	07/07/2022	1.10
2015/32	30/05/2021	Cash settled	6,533	14/07/2022	1.12
2015/32	30/05/2021	Cash settled	6,464	30/06/2023	2.08
2015/32	30/05/2021	Cash settled	6,464	07/07/2023	2.10
2015/32	30/05/2021	Cash settled	6,533	14/07/2023	2.12
2015/32	30/05/2021	Cash settled	6,464	30/06/2024	3.09
2015/32	30/05/2021	Cash settled	6,464	07/07/2024	3.11
2015/32	30/05/2021	Cash settled	6,533	14/07/2024	3.13
2015/32	30/05/2021	Cash settled	6,479	30/06/2025	4.09
2015/32	30/05/2021	Cash settled	6,479	07/07/2025	4.11
2015/32	30/05/2021	Cash settled	6,559	14/07/2025	4.13
2015/35	17/06/2021	Cash settled	390	30/06/2022	1.04
2015/35	17/06/2021	Cash settled	390	07/07/2022	1.05
2015/35	17/06/2021	Cash settled	392	14/07/2022	1.07
2015/35	17/06/2021	Cash settled	390	30/06/2023	2.04
2015/35	17/06/2021	Cash settled	390	07/07/2023	2.05
2015/35	17/06/2021	Cash settled	392	14/07/2023	2.07
2015/35	17/06/2021	Cash settled	390	30/06/2024	3.04
2015/35	17/06/2021	Cash settled	390	07/07/2024	3.06
2015/35	17/06/2021	Cash settled	392	7/14/2024	3.08
2015/35	17/06/2021	Cash settled	391	6/30/2025	4.04
2015/35	17/06/2021	Cash settled	391	7/7/2025	4.06
2015/35	17/06/2021	Cash settled	392	7/14/2025	4.08

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

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

As at 31st March, 2023

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SARs (INR)
		From	To	From	To			From	To		From	To	
2015 Series - 25	19-Jul-19	0.33	0.37	0.33	0.37	-	1,721.05	7.08%	7.11%	0.06%	14.99%	15.32%	1720.68-1720.64
2015 Series - 28	7-Aug-20	0.25	0.79	0.25	0.79	-	1,721.05	7.00%	7.31%	0.06%	16.01%	19.61%	1720.77-1720.18
2015 Series - 31	7-Aug-20	0.42	1.46	0.42	1.46	-	1,721.05	7.16%	7.20%	0.06%	15.02%	24.71%	1720.59-1719.44
2015 Series - 32	30-May-21	0.25	2.29	0.25	3.29	-	1,721.05	7.00%	7.27%	0.06%	16.01%	24.84%	1720.77-1718.53
2015 Series - 35	17-Jun-21	0.25	2.29	0.25	3.29	-	1,721.05	7.00%	7.27%	0.06%	16.01%	24.84%	1720.77-1718.53
2015 Series - 40	10-May-22	0.17	3.21	0.17	3.21	-	1,721.05	6.92%	7.29%	0.06%	17.07%	33.10%	1720.87-1717.52
2015 Series - 45	10-May-22	0.17	4.21	0.17	4.21	-	1,721.05	6.92%	7.31%	0.06%	17.07%	30.80%	1720.87-1716.43
2015 Series - 48	27-Aug-22	0.42	2.46	0.42	2.46	-	1,721.05	7.16%	7.30%	0.06%	15.02%	26.24%	1720.59-1718.34
2015 Series - 51	18-Oct-22	0.59	3.63	0.59	3.63	-	1,721.05	7.26%	7.31%	0.06%	17.38%	32.12%	1720.40-1717.06

As at 31st March, 2022

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SARs (INR)
		From	To	From	To			From	To		From	To	
2015 Series 22	20-May-19	0.25	0.79	0.25	0.79	-	1,763.10	3.97%	4.42%	0.05%	27.51%	31.46%	1762.39-1762.87
2015 Series 25	19-Jul-19	0.33	1.37	0.33	1.37	-	1,763.10	4.05%	4.79%	0.05%	26.57%	30.62%	1761.86-1762.8
2015 Series - 28	7-Aug-20	0.67	1.79	0.67	1.79	-	1,763.10	4.33%	5.04%	0.05%	29.16%	29.58%	1761.49-1762.5
2015 Series - 31	7-Aug-20	1.42	2.46	1.42	2.46	-	1,763.10	4.82%	5.42%	0.05%	27.76%	35.70%	1760.89-1761.82
2015 Series - 32	30-May-21	0.25	3.29	0.25	3.29	-	1,763.10	3.97%	5.85%	0.05%	31.46%	33.01%	1760.14-1762.87

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2023

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

C. Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	31 st March, 2023						31 st March, 2022							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/(Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/(Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
2015/17	18-May-18	-	-	-	-	-	-	-	41,252	-	(39,312)	140	-	(2,080)	-
2015/22	20-May-19	32,372	-	(31,222)	(826)	(324)	-	-	61,779	-	(24,605)	623	-	(5,425)	32,372
2015/25	22-Jul-19	4,669	-	(2,001)	-	-	-	2,668	6,670	-	(2,001)	-	-	-	4,669
2015/28	7-Aug-20	46,067	-	(18,574)	(2,485)	(844)	-	24,164	72,920	-	(20,703)	296	-	(6,446)	46,067
2015/31	7-Aug-20	26,090	-	-	-	-	-	26,090	25,710	-	-	2,240	-	(1,860)	26,090
2015 - 32	30-May-21	77,900	-	(19,521)	(1,643)	(1,209)	-	55,527	-	81,140	-	750	-	(3,990)	77,900
2015 - 35	17-Jun-21	4,690	-	(1,172)	-	-	-	3,518	-	4,690	-	-	-	-	4,690
2015 - 40	10-May-22	-	183,270	-	(3,780)	(6,380)	-	173,110	-	-	-	-	-	-	-
2015 - 45	10-May-22	-	15,850	-	-	-	-	15,850	-	-	-	-	-	-	-
2015 - 48	27-Aug-22	-	1,960	-	-	-	-	1,960	-	-	-	-	-	-	-
2015 - 51	18-Oct-22	-	2,720	-	-	-	-	2,720	-	-	-	-	-	-	-
Total		191,788	203,800	(72,490)	(8,734)	(8,757)	-	305,607	208,331	85,830	(86,621)	4,049	-	(19,801)	191,788

* This represents transfer of employees within Bank and its subsidiaries

Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

	31 st March, 2023	31 st March, 2022
Total Employee compensation cost pertaining to share-based payment plans	3,409.55	2,658.99
Compensation cost pertaining to equity-settled employee share-based payment plan included above	294.56	745.15
Closing balance of liability for cash-settled options*	2,827.21	1,849.55
* Total intrinsic value of liability for cash-settled options ₹ 2,827.21 Lakhs (previous year 1,849.55 Lakhs)		

₹ In Lakhs

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE 41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilities:

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 st March, 2023					As at 31 st March, 2022				
	FVTPL	FVTOCI	Amortised cost	Cost	Total	FVTPL	FVTOCI	Amortised cost	Cost	Total
Financial assets										
Cash and cash equivalents	-	-	10,209.55	-	10,209.55	-	-	7,575.95	-	7,575.95
Bank Balance other than cash and cash equivalent	-	-	711,754.96	-	711,754.96	-	-	550,732.30	-	550,732.30
Derivative financial instruments	2,254.00	-	-	-	2,254.00	59.35	-	-	-	59.35
Receivables:										
-Trade receivables	-	-	246,431.75	-	246,431.75	-	-	585,371.91	-	585,371.91
-Other receivables	-	-	2,056.93	-	2,056.93	-	-	145.73	-	145.73
Loans										
-Receivable from clients-Margin ...Trading facility	-	-	374,668.59	-	374,668.59	-	-	486,987.87	-	486,987.87
-Loans given to Employees	-	-	61.29	-	61.29	-	-	55.87	-	55.87
Investments	166,557.67	44,963.13	-	36,966.26	248,487.06	232,842.81	56,145.18	4,984.03	36,966.26	330,938.28
Other financial assets	-	-	1,600.57	-	1,600.57	-	-	1,536.34	-	1,536.34
Total financial assets	168,811.67	44,963.13	1,346,783.64	36,966.26	1,597,524.70	232,902.16	56,145.18	1,637,390.00	36,966.26	1,963,403.60
Financial liabilities										
Derivative financial instruments	181.09	-	-	-	181.09	57.46	-	-	-	57.46
Payables										
-Trade Payables	-	-	537,491.33	-	537,491.33	-	-	790,116.70	-	790,116.70
Debt securities	-	-	330,827.14	-	330,827.14	-	-	470,910.52	-	470,910.52
Lease liabilities	-	-	6,365.08	-	6,365.08	-	-	4,949.20	-	4,949.20
Deposits	-	-	3,432.51	-	3,432.51	-	-	3,775.62	-	3,775.62
Other Financial liabilities	-	-	16,533.41	-	16,533.41	-	-	59,161.78	-	59,161.78
Total financial liabilities	181.09	-	894,649.47	-	894,830.56	57.46	-	1,328,913.82	-	1,328,971.28

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 st March, 2023				As at 31 st March, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments at FVTPL								
- Mutual funds	-	-	-	-	10,000.51	-	-	10,000.51
- Preference shares	-	-	1,539.87	1,539.87			1,296.92	1,296.92
- Equity instruments	72,525.56	1,708.77	240.67	74,474.99	115,422.23	55,259.82	401.17	171,083.23
(a) NSE LIMITED		1,708.77		1,708.77	-	55,259.82	-	55,259.82
(b) ECA Trading Services Limited (Under liquidation in FY 21-22)	-	-	-	-	-	-	-	-
(c) Entroq Technologies Private Limited	-	-	-	-	-	-	2.81	2.81
(d) Kredent Infoedge Private Limited	-	-	0.20	0.20	-	-	0.15	0.15
(e) Indus Biotech Limited	-		240.44	240.44	-	-	398.21	398.21
(f) Multipl Fintech Solutions Private Limited	-	-	0.02	0.02	-	-	-	-
(g) Listed	72,525.56	-	-	72,525.56	115,422.23	-	-	115,422.23
- Venture Funds	-	74,560.88	-	74,560.88	-	50,462.15	-	50,462.15
- Derivatives	2,254.00	-	-	2,254.00	59.35	-	-	59.35
- Debentures	-	-	500.00	500.00	-	-	-	-
- Government Securities	15,481.93	-	-	15,481.93	-	-	-	-
Investments at FVOCI								
- Debentures	12,064.50	32,898.63	-	44,963.13	18,781.83	37,363.35		56,145.18
Total financial assets	102,325.99	109,168.28	2,280.54	213,774.80	144,263.92	143,085.32	1,698.09	289,047.34
Financial liabilities								
Derivative financial instruments	181.09	-	-	181.09	57.46	-	-	57.46
Total financial liabilities	181.09	-	-	181.09	57.46	-	-	57.46

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 st March, 2023				As at 31 st March, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans								
- Receivable from clients- Margin Trading facility	-	-	374,668.59	374,668.59	-	-	486,987.87	486,987.87
- Loans given to Employees	-	-	64.43	64.43	-	-	60.37	60.37
Investments								
- Non Convertible Debentures	-	-	-	-	-	5,093.99	-	5,093.99
Other financial assets								
- Other financial assets	-	-	1,600.57	1,600.57	-	-	1,536.34	1,536.34
Total financial assets	-	-	376,333.60	376,333.61	-	5,093.99	488,584.58	493,678.57

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans				
- Loans given to Employee	61.29	64.43	55.87	60.37
Investments				
- Debentures	-	-	4,984.03	5,093.99
Other financial assets				
- Security deposit	1,606.53	1,600.57	1,541.71	1,536.34
	1,667.82	1,665.00	6,581.61	6,690.70

The carrying amounts of Cash and cash equivalents, Bank Balance other than cash and cash equivalent, trade receivables, Margin Trading facility, 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-22	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at 31-Mar-23
Investments in Preference Shares	1,296.92	17.98	224.97	-	-	1,539.87
Investment in Equity Shares	401.17	(160.52)	0.02	-	-	240.67
Investment in Debentures	-	-	500.00	-	-	500.00

Particulars	As at 01-Apr-21	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/(out)	As at 31-Mar-22
Investments in Preference Shares	695.00	85.04	1,296.92	(780.04)	-	1,296.92
Investment in Equity Shares	-	23.41	377.76	-	-	401.17

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

Particulars	Year ended 31 st March, 2023		Year ended 31 st March, 2022	
	Increase	Decrease	Increase	Decrease
Investment in unquoted preference shares				
(a) 50 bps increase in the Long-term growth rate and 100/500 bps decrease in the discounting factor leads to increase in the value.	147.00	122.00	-	-
(b) 50 bps increase in the Long-term growth rate and 100 bps decrease in the discounting factor leads to increase in the value.	-	-	80.83	(80.83)
Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Investment in unquoted Equity shares				
(a) If multiple increase by 0.25x, The Equity Value will increase by 1.1% and Vice Versa "	2.65	(2.65)	4.41	(4.41)
(b) If EBITDA goes up by 5%, The Equity Value will increase by 1.1% and Vice Versa	2.65	(2.65)	4.41	(4.41)

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.

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 income approach	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 (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 2022-23.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

D. Financial risk management

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

- Market risk;
- Credit risk and
- Liquidity 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)

	Year Ended 31-Mar-2023	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	1,489.50	(1,489.50)
Mutual funds (1%)	-	-
Venture funds (5.3%)	3,951.73	(3,951.73)
Debt securities (1%)	609.45	(609.45)
Preference shares (1%)	15.40	(15.40)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	41.46	(41.46)
	6,107.53	(6,107.53)

(₹ in Lakhs)

	Year Ended 31-Mar-2022	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	3,421.66	(3,421.66)
Mutual funds (1%)	100.01	(100.01)
Venture funds (6.5%)	3,280.04	(3,280.04)
Debt securities (1%)	561.45	(561.45)
Preference shares (1%)	12.97	(12.97)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	0.04	(0.04)
	7,376.17	(7,376.17)

(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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(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)

	As at 31 st March, 2023			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	193.24	8.19	35.80	54.35
	193.24	8.19	35.80	54.35
Financial liabilities				
Payable	232.92	64.32	-	-
	232.92	64.32	-	-

(₹ in Lakhs)

	As at 31 st March, 2022			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	265.31	-	-	34.49
	265.31	-	-	34.49
Financial liabilities				
Payable	835.42	89.92	-	-
	835.42	89.92	-	-

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).

Effect in INR	Year Ended 31 st March, 2023			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	(0.40)	0.40	(0.30)	0.30
EUR	0.36	(0.36)	0.27	(0.27)
GBP	0.54	(0.54)	0.41	(0.41)
SG	(0.56)	0.56	(0.42)	0.42
	(0.06)	0.06	(0.04)	0.04

Effect in INR	Year Ended 31-Mar-2022			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	(5.70)	5.70	(4.27)	4.27
EUR	-	-	-	-
GBP	0.34	(0.34)	0.26	(0.26)
SG	-	-	-	-
	(5.36)	5.36	(4.01)	4.01

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 st March, 2023	As at 31 st March, 2022
Loan to employees	61.69	56.24
Margin Trading facility	376,753.44	489,994.55
Receivables	250,662.51	588,044.25
Cash and Bank Balance	722,418.02	558,659.49
Investments	44,963.13	61,132.20
Other Financial Assets	1,606.53	1,541.71
Total Net	1,396,465.32	1,699,428.44

Receivables and Margin Trading facility

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 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Receivables and Margin Trading facility						
Past due 1–30 days	-	4,74,445.11	4,74,445.11	-	8,16,152.24	8,16,152.24
Past due 31–60 days	-	54,124.15	54,124.15	-	84,957.05	84,957.05
Past due 61–90 days	-	26,515.70	26,515.70	-	68,228.18	68,228.18
Past due 90 days	-	57,509.89	57,509.89	-	70,165.12	70,165.12
Not due	-	13,812.98	13,812.98	-	38,536.21	38,536.21
Unbilled	-	1,008.12	1,008.12	-	-	-
Loss allowance	-	(4,258.68)	(4,258.68)	-	(5,533.29)	(5,533.29)
Carrying Amount	-	623,157.28	623,157.28	-	1,072,505.51	1,072,505.51

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Loan to Employees						
Current	61.69	-	61.69	56.24	-	56.24
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(0.40)	-	(0.40)	(0.37)	-	(0.37)
Carrying Amount	61.29	-	61.29	55.87	-	55.87

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Other Financial Assets

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	1,606.53	-	1,606.53	1,541.71	-	1,541.71
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(5.96)	-	(5.96)	(5.37)	-	(5.37)
Carrying Amount	1,600.57	-	1,600.57	1,536.34	-	1,536.34

Cash and Bank Balance

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	7,22,418.02	-	7,22,418.02	5,58,659.48	-	5,58,659.48
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(453.51)	-	(453.51)	(351.23)	-	(351.23)
Carrying Amount	7,21,964.51	-	7,21,964.51	5,58,308.25	-	5,58,308.25

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	-	-	-	4,987.02	-	4,987.02
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	-	-	-	(2.99)	-	(2.99)
Carrying Amount	-	-	-	4,984.03	-	4,984.03

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 st March, 2023			As at 31 st March, 2022		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	43,526.38	-	43,526.38	52,091.94	-	52,091.94
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(26.80)	-	(26.80)	(31.87)	-	(31.87)
Sub Total	43,499.58	-	43,499.58	52,060.07	-	52,060.07
Fair Value Adjustment	1,463.55	-	1,463.55	4,085.11	-	4,085.11
Carrying Amount	44,963.13	-	44,963.13	56,145.18	-	56,145.18

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 assets 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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.

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.

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 31 st March, 2023	As at 31 st March, 2022	
Trade Receivables and Margin Funding	99.32%	99.48%	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, 2021	988.61	1,568.33	1,788.77	4,345.71
Net remeasurement of loss allowance	(269.50)	(69.82)	306.88	(32.44)
New financial assets originated during the year	782.42	1,812.30	962.90	3,557.62
Financial assets that have been derecognised during the period	(593.28)	(1,059.03)	(105.75)	(1,758.06)
Write off's/write back	-	-	(579.54)	(579.54)
Balance as at March 31, 2022	908.25	2,251.78	2,373.26	5,533.29
Net remeasurement of loss allowance	15.62	(167.95)	(32.56)	(184.89)
New financial assets originated during the year	441.28	290.97	1,372.30	2,104.55
Financial assets that have been derecognised during the period	(631.86)	(1,728.25)	(741.29)	(3,101.40)
Write off's/write back	-	-	(92.87)	(92.87)
Balance as at March 31, 2023	733.29	646.55	2,878.84	4,258.68

Particulars	Cash and Bank Balances	Other financial assets	Loan to Employees	Investments at FVOCI	Investments at Amortised cost
Balance as at April 1, 2021	324.71	5.35	0.43	47.02	2.98
Net remeasurement of loss allowance	26.53	0.02	(0.06)	(15.14)	0.01
New financial assets originated during the year	-	-	-	-	-
Balance as at March 31, 2022	351.24	5.37	0.37	31.87	2.99
Net remeasurement of loss allowance	102.27	0.59	0.04	(5.07)	(2.99)
New financial assets originated during the year	-	-	-	-	-
Balance as at March 31, 2023	453.51	5.96	0.40	26.80	-

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Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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.

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2023						
		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	Debt securities	330,827.14	330,827.14	330,827.14	-	-	-	-
2	Trade and other Payables	537,491.33	537,491.33	537,491.33	-	-	-	-
3	Other Financial Liabilities	16,533.41	16,533.41	14,973.40	-	1,560.01	-	-
4	Deposits	3,432.51	3,432.51	-	-	-	-	3,432.51
5	Lease Liabilities	6,365.08	7,450.96	1,037.84	939.30	3,124.66	1,580.16	769.02
	Carrying Amount	894,649.47	895,735.35	884,329.71	939.30	4,684.67	1,580.16	4,201.53

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2022						
		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	Debt securities	470,910.52	470,910.52	470,910.52	-	-	-	-
2	Trade and other Payables	790,116.70	790,116.70	790,116.70	-	-	-	-
3	Other Financial Liabilities	59,161.78	59,161.78	51,191.24	-	7,970.54	-	
4	Deposits	3,775.62	3,775.62	-	-	-	-	3,775.62
5	Lease Liabilities	4,949.20	5,672.75	885.23	828.91	2,399.39	1,374.24	184.99
	Carrying Amount	1,328,913.82	1,329,637.37	1,313,103.69	828.91	10,369.93	1,374.24	3,960.61

NOTE: 42 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 st March, 2023	As at 31 st March, 2022
(A)	Liabilities		
	Debt securities - Commercial Papers	330,827.14	470,910.52
	Deposits	3,432.51	3,775.62
	Gross Debt	334,259.65	474,686.14
	Less: Cash and cash Equivalents	10,209.55	7,575.95
	Less - Other Bank Deposits	63,304.86	4,487.25
	Adjusted Net Debt	260,745.24	462,622.94
	Total Equity	715,667.30	638,481.87
	Adjusted Net debt to equity ratio	0.36	0.72

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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	248,391.62	35,586.51	-	283,978.13
	Previous year	(259,430.88)	(39,151.29)	(134.45)	(298,716.62)
2)	Profit Before Tax	81,661.38	30,054.83	(173.31)	111,542.90
	Previous year	(107,423.54)	(33,042.42)	214.37	(140,251.59)
	Segment result before income tax include				
	Interest revenue	86,613.66	18,270.83	-	104,884.49
	Previous year	(75,000.73)	(15,416.02)	(134.45)	(90,551.20)
	Interest Exp	26,302.02	644.39	-	26,946.41
	Previous year	(16,802.94)	(434.82)	(195.81)	(17,433.57)
	Depreciation and amortization	6,183.41	90.65	-	6,274.06
	Previous year	(4,064.00)	(90.65)	-	(4,154.65)
3)	Tax Expenses	-	-	27,609.02	27,609.02
	Previous year	-	-	(35,308.62)	(35,308.62)
4)	Profit for the year	-	-	-	83,933.88
	Previous year	-	-	-	(104,942.97)
5)	Capital Employed				
i.	Segment assets	1,048,884.01	570,971.27	4,792.77	1,624,648.05
	Previous year	(1,393,055.08)	(589,903.21)	(2,496.15)	(1,985,454.44)
ii.	Segment liabilities	884,804.72	20,190.49	3,985.54	908,980.75
	Previous year	(1,279,083.92)	(61,346.50)	(6,542.15)	(1,346,972.57)

- (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.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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	
	As at 31 st March, 2023	As at 31 st March, 2022
Revenue from contracts with customers	158,938.18	182,951.33
Interest income	104,884.49	90,551.20
Dividend income	1,728.40	2,211.29
Net gain on fair value changes	16,151.09	20,518.98
Other income	2,275.97	2,483.82
Total Revenue	283,978.13	298,716.62
Impairment loss on receivables and contract assets	2,173.83	2,526.61

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 st March, 2023	Year ended 31 st March, 2022	Year ended 31 st March, 2023	Year ended 31 st March, 2022	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Primary Geographical Market						
Within India	155,085.83	180,445.72	-	134.45	155,085.83	180,580.17
Outside India	3,852.35	2,371.15	-	-	3,852.35	2,371.15
Total	158,938.18	182,816.87	-	134.45	158,938.18	182,951.32
Major service lines						
Brokerage and Commission	144,744.49	167,444.63	-	-	144,744.49	167,444.63
Fees	14,193.69	15,372.24	-	134.45	14,193.69	15,506.69
Total	158,938.18	182,816.87	-	134.45	158,938.18	182,951.32
Timing of revenue recognition						
At a point in time	144,744.49	167,444.63	-	-	144,744.49	167,444.63
Over a period of time	14,193.69	15,372.24	-	134.45	14,193.69	15,506.69
Total	158,938.18	182,816.87	-	134.45	158,938.18	182,951.32

The Company derives its revenue from the transfer of services at point in 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 st March, 2023	As at 31 st March, 2022
Receivables	248,488.68	585,517.64

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Revenue received in advance	637.89	320.87

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE 45 - CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of the Section 135 of the Companies Act, 2013 the Company is required to contribute for Corporate Social Responsibility (CSR) Activities. The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its holding Company. KMBL is building its CSR capabilities on a sustainable basis and the Company is committed to gradually increase its CSR spend in the coming years.

Details of CSR expenditure

The amount spent during the year is as follows

(₹ in Lakhs)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Amount required to be spent as per Section 135 of the Act	2,109.56	1,577.42
Amount spent - Ongoing project		
Contribution to Kotak Education Foundation	-	141.13
Contribution to others*	608.95	667.32
Total (A)	608.95	808.45
Amount spent - Other than ongoing project		
Contribution to Pratham Education Foundation	241.00	-
Contribution to others	17.00	45.00
Total (B)	258.00	45.00
Total Amount spent (C=(A+B))	866.95	853.45
Accrual towards unspent obligations in relation to:		
Ongoing project	1,247.47	733.08
Other than ongoing project	-	-
Total (D)	1,247.47	733.08
Total (C+D)	2,114.42	1,586.53
Amount of cumulative unspent at the end of the year	1,247.47	733.08
Amount spent from unspent CSR account FY 20-21	249.00	45.38
Amount spent from unspent CSR account FY 21-22	650.37	-
Amount required to be spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	2,114.42	1,586.53

* This Amount has been transferred to separate bank account. Further amount returned by NGOs to the tune of ₹ 2.76 Lakhs (Previous Year ₹ 8.33 Lakhs) has been transferred to unspent CSR Account.

Nature of CSR activities and reason for shortfall

The company has incurred ₹ 866.95 lakhs during the year (Previous year ₹ 853.45 lakhs) towards donation to Kotak Education Fund and other activities in relation to Education & Livelihood, Healthcare and Relief & Rehabilitation programme. There has been no shortfall in FY 22-23.

Details of ongoing CSR projects under Section 135(6) of the Act

(₹ in Lakhs)

Balance as at 1 st April, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March, 2023	
With the Company #	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company *	In Separate CSR Unspent account
733.08	672.62	2,114.42**	866.95	899.37	1,247.47	506.33

#The same has been deposited in separate CSR unspent account subsequent to the Balance Sheet date on April 29th, 2022.

*The same has been deposited in separate CSR unspent account subsequent to the Balance Sheet date on April 25th, 2023.

**includes Rs 4.86 Lakhs over and above the amount specified as per Sec 135 of the Companies Act, 2013

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

(₹ in Lakhs)

Balance unspent as at 1 st April, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 st March 2023
NIL	NIL	-	-	NIL

Details of excess CSR expenditure under Section 135(5) of the Act

(₹ in Lakhs)

Balance excess spent as at 1 st April, 2022	Amount required to be spent during the year	Amount spent during the year*	Balance excess spent as at 31 st March 2023
9.09	2,109.56	2,114.42	13.94

* includes unutilised CSR amount transferred to Kotak Mahindra Bank Unspent CSR Account for FY 2022-23

NOTE:46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
(1)	Financial assets						
(a)	Cash and cash equivalents	10,209.55	-	10,209.55	7,575.95	-	7,575.95
(b)	Bank Balance other than (a) above	704,589.12	7,165.84	711,754.96	548,837.60	1,894.70	550,732.30
(c)	Derivative financial instruments	2,254.00	-	2,254.00	59.35	-	59.35
(d)	Receivables	2 47,725.52	763.16	2 48,488.68	5 84,606.74	910.90	585,517.64
(e)	Loans	374,725.80	4.08	374,729.88	487,035.24	8.50	487,043.74
(f)	Investments	93,513.04	154,974.02	248,487.06	238,908.19	92,030.09	330,938.28
(g)	Other Financial assets	-	1,600.57	1,600.57	-	1,536.34	1,536.34
Total Financial assets		1,433,017.03	164,507.67	1,597,524.70	1,867,023.07	96,380.53	1,963,403.60
(2)	Non-financial assets						
(a)	Current Tax assets (Net)	-	2,423.90	2,423.90	-	1,691.15	1,691.15
(b)	Deferred Tax assets (Net)	-	895.04	895.04	-	-	-
(c)	Investment Property	-	2,006.71	2,006.71	-	2,052.00	2,052.00
(d)	Property, Plant and Equipment	-	12,380.75	12,380.75	-	10,026.90	10,026.90
(e)	Other intangible assets	-	5,178.18	5,178.18	-	4,749.41	4,749.41
(f)	Other Non-Financial assets	2,839.09	1,399.68	4,238.77	2,640.05	891.33	3,531.38
Total Non-financial assets		2,839.09	24,284.26	27,123.35	2,640.05	19,410.79	22,050.84
Total Assets		1,435,856.12	1 88,791.93	1,624,648.05	1,869,663.12	115,791.32	1,985,454.44
LIABILITIES AND EQUITY							
LIABILITIES							
(1)	Financial liabilities						
(a)	Derivative financial instruments	181.09	-	181.09	57.46	-	57.46
(b)	Payables	537,491.33	-	537,491.33	790,116.70	-	790,116.70
(c)	Debt securities	330,827.14	-	330,827.14	4 70,910.52	-	4 70,910.52
(d)	Borrowings (Other than Debt Securities)	-	-	-	-	-	-
(e)	Lease Liabilities	1,977.14	4,387.94	6,365.08	1,714.14	3,235.06	4,949.20
(f)	Deposits	-	3,432.51	3,432.51	-	3,775.62	3,775.62
(g)	Other Financial liabilities	14,973.40	1,560.01	16,533.41	58,540.65	621.13	59,161.78
Total Financial liabilities		885,450.10	9,380.46	894,830.56	1,321,339.47	7,631.81	1,328,971.28

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Sr No	Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(2)	Non-Financial liabilities						
(a)	Current tax liabilities (Net)	1,471.86	-	1,471.86	1,499.95	-	1,499.95
(b)	Provisions	8,532.48	1,916.54	10,449.02	10,026.92	1,945.58	11,972.50
(c)	Deferred tax liabilities (Net)	-	-	-	886.43	-	886.43
(d)	Other non-financial liabilities	2,229.31	-	2,229.31	3,642.41	-	3,642.41
	Total Non-financial liabilities	12,233.65	1,916.54	14,150.19	16,055.71	1,945.58	18,001.29
	Total Liabilities (A)	897,683.75	11,297.00	908,980.75	1,337,395.18	9,577.39	1,346,972.57
	NET Asset	538,172.37	177,494.93	715,667.30	532,267.94	106,213.93	638,481.87

NOTE:47 ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) No loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (ii) The Company does not hold any benami property and no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The quarterly returns filed by the Company for fund based facilities availed from banks on the basis of security of receivables are in agreement with the books of accounts.
- (iv) The Company is not declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (v) The Company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956
- (vi) There are no charges or satisfaction yet to be registered with Registrar of companies (ROC).
- (vii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) There are no Scheme of Arrangements placed before the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for approval.
- (ix) Utilisation of Borrowed funds and share premium
 - (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in party identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Company has not received any fund (which are material either individually or in the aggregate) from any party(s) (Funding Party(ies)) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2023.
- (xi) The Company did not have any transactions which had not been recorded in the books of accounts that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) Additional regulatory information requires disclosure of ratios under (WB) (xvi) of Division III of amended Schedule III of the Companies Act, 2013. The disclosure of ratios is not applicable to the Company as it is in broking business and the Company has not conducted any Non-Banking Financial activities or any Housing Finance activities and is not required to obtain Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per section 45-IA of Reserve Bank of India Act, 1934.

Notes

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

NOTE:48 DISCLOSURE U/S. 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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	-	-
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	-	-

Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Company.

NOTE:49 Figures for the previous year have been regrouped wherever necessary to conform to current year's classifications.

For and on behalf of the Board of Directors

Narayan.S.A
Chairman
DIN: 00007404

Jaideep Hansraj
Managing Director
DIN: 02234625

Shripal Shah
Chief Operating Officer

Vikas Tarekar
Company Secretary
Membership No: A31670

Place : Mumbai
Date : 24th May, 2023

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Company Website: www.kotaksecurities.com

Kotak Mahindra Bank Website: www.kotak.com

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