

Kotak Securities Limited

Instrument	Amount (In Rs. Crore)	Rating Action (November 2016)
Short term debt programme	4000 (enhanced from 1000)	[ICRA]A1+; assigned
Long term debt programme	50	[ICRA]AAA (stable); outstanding

ICRA has assigned a rating of [ICRA]A1+ (pronounced as ICRA A one plus) to Rs. 4000 crore (enhanced from Rs. 1000 crore) short term debt programme of Kotak Securities Limited (KSL)†. ICRA has a rating outstanding of [ICRA]AAA (pronounced ICRA triple A) with a stable outlook for the Rs. 50 crore long term debt programme of KSL.

The ratings for KSL are supported by its continued strong presence in retail equity broking segment and the online broking segment, comfortable capitalization levels, comfortable liquidity profile, negligible leverage levels and sound risk management systems deployed by the company, increasing operational synergies with the group companies and groups' favorable experience in capital market related activities in addition to the high financial flexibility enjoyed by KSL by virtue of it being 100% subsidiary of Kotak Group.

Going forward, KSL's rating would be sensitive to its parent Kotak Bank's rating given the strong business and operational linkages amongst the Kotak group companies. KSL's rating would also be sensitive to its ability to maintain and improve its market position and profitability and maintain comfortable asset quality indicators through the economic swings.

Company Profile

Kotak Securities Limited is a 100% subsidiary of the Kotak Group (74.99% held by Kotak Mahindra Bank and 25.01% held by Kotak Mahindra Capital Company). The main business activities of the company include share broking (retail and institutional), portfolio management services and distribution of third party products such as equity public offerings, mutual funds, fixed deposits etc.

For a detailed rationale, please refer to the press release dated August 2016

November 2016

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† For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications.



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