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Boards' Report

To the Members of
KOTAK MAHINDRA INVESTMENTS LIMITED

The Directors present their Thirty-Sixth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

CONSOLIDATED

₹ in Lakh

	Year ended 31 st March 2024	Year ended 31 st March 2023
Gross income	142,366.73	90,878.97
Total Expenses	78,515.84	45,166.31
Share of net profit/ (loss) of Investments accounted using equity method	5,698.76	5,576.60
Profit before tax	69,549.65	51,289.26
Provision for tax	17,788.95	13,114.72
Profit after tax	51,760.70	38,174.54
Total Comprehensive Income	52,606.39	37,589.88
Balance of Profit from previous years	206,770.55	175,389.49
Amount available for appropriation	258,537.50	213,575.55
Appropriations:		
Special Reserve u/s 45IC of the RBI Act, 1934	9,500.00	6,805.00
Net Profit after tax carried to Balance Sheet	249,037.50	206,770.55

STANDALONE

₹ in Lakh

	Year ended 31 st March 2024	Year ended 31 st March 2023
Gross income	142,366.73	90,878.97
Total Expenses	78,515.84	45,166.31
Profit before tax	63,850.89	45,712.66
Provision for tax	16,354.68	11,711.21
Profit after tax	47,496.21	34,001.45
Total Comprehensive Income	48,342.77	33,415.75
Balance of Profit from previous years	194,756.83	167,549.90
Amount available for appropriation	242,260.16	201,561.83
Appropriations:		
Special Reserve u/s 45IC of the RBI Act, 1934	9,500.00	6,805.00
Net Profit after tax carried to Balance Sheet	232,760.16	194,756.83

FINANCIAL PERFORMANCE

The Company has been continuously diversifying its funding sources and has a pool of lenders comprising of Mutual Funds, Insurance Companies, Banks and Corporates. As on 31st March, 2024, the Company has adequate capital, healthy debt to equity ratio and positive liquidity gap in short term. The Company, with its strong treasury philosophies, practices and diversified borrowing profile, comfortably managed its liquidity requirements throughout the year and is geared to meet any challenges in future.

During the financial year, customer financial assets grew by about 28%. On a standalone basis, Profit After Tax ("PAT") of the Company was ₹ 47,496.21 Lakh in FY 2023-24 compared with ₹ 34,001.45 Lakh in FY 2022-23. Total Comprehensive Income of the Company for FY 2023-24 was ₹ 48,342.77 Lakh as against ₹ 33,415.75 Lakh in FY 2022-23. Gross NPA Stage 3 and Stage 2 ratio to overall customer financial assets were at 0.4% (1.21% in 2023-24) and 3.2% (2.1% in FY 2022-23) respectively as of 31st March 2024. The consolidated PAT was ₹ 51,760.70 Lakh in FY 2023-24 compared with ₹ 38,174.54 Lakh in FY 2022-23.

Further details on the financial performance of your Company are available in the Management's Discussion and Analysis Report.



SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on 31st March, 2024, the paid-up equity Share Capital of your Company stood at ₹ 5,62,25,780 comprising of 56,22,578 equity shares of ₹ 10/- each. During the year under review the Company has neither issued any shares with differential voting rights nor has it granted any Stock Option or Sweat Equity.

DIVIDEND

With a view to conserve the Company's resources, the Directors do not recommend any Dividend (Previous Year: Nil).

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves during the year.

DEBENTURES

Pursuant to various circulars issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) from time to time, the Company continues to issue secured non-convertible debentures on private placement basis and list all non-convertible debentures issued, on BSE Limited under Information Memorandums issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustee to the issues. The contact details of the Debenture Trustee are:

IDBI Trusteeship Services Limited
 Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001
 Contact No.: 022 – 40807050; 022 - 40807021
 Email: itsl@idbitrustee.com
 Website: www.idbitrustee.com

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio (CRAR) of the Company as on 31st March, 2024 was at 26.94% (Tier I – 26.05%). No change in the capital structure of the Company.

CREDIT RATING

The Company's short-term borrowing program from CRISIL Limited and ICRA Limited is rated "A1+". Further, the long-term secured borrowing program is rated "AAA/Stable" by CRISIL Limited and ICRA Limited

The Company's Market Linked Debentures program is rated 'CRISIL PP-MLD AAA/Stable' by CRISIL Limited.

Also, the Company's Tier II borrowing program is rated "AAA/Stable" by CRISIL Limited & ICRA Limited.

A1+ indicates highest-credit-quality rating and AAA indicates high-credit-quality rating with stable outlook assigned by ICRA and CRISIL. Instruments with these ratings are considered to have high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk. A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture.

DEPOSITS

The Company did not accept any deposits from the public during the year.

OPERATIONS

The Company lends to the real estate and other sectors, provides structured financing and holds strategic investments. The real estate division lends to developers across the entire spectrum - residential, commercial and retail. The structured finance team offers a trusted and dedicated platform with expertise in structuring complex transactions, thereby broadening access to capital. Further details on the Operations of your Company are available in the Management's Discussion and Analysis Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board comprises of Mr. Uday Kotak (Chairman), Ms. Padmini Khare Kaicker (Independent Director), Mr. Chandrashekhar Sathe (Independent Director), Mr. Paresh Parasnis (Independent Director), Mr. Prakash Apte (Independent Director), Mr. Baswa Ashok Rao (Independent Director), Mr. Paritosh Kashyap (Non-Executive Non-Independent) Mr. Phani Shankar (Non-Executive Non-Independent) and Mr. Amit Bagri (Managing Director and Chief Executive Officer) as directors of the Company.

Mr. Baswa Ashok Rao was appointed as Additional and Independent Director w.e.f. 22nd March, 2024 subject to the approval of the members of the Company. Mr. Phani Shankar resigned from the Board w.e.f. 23rd April, 2024.

The Board of Directors of the Company at their meeting held on 22nd March, 2024, had approved the appointment of Mr. Baswa Ashok Rao as an Additional and Independent Director for a term of three years, with effect from 22nd March, 2024 up to 21st March, 2027 (both days inclusive), subject to the approval of the members of the Company. Further, the members of the Company had granted their consent to the aforesaid appointment of Mr. Baswa Ashok Rao at the Extra-Ordinary General Meeting held on 19th June, 2024.

DIRECTOR RETIRING BY ROTATION

Mr. Amit Bagri (DIN: 09659093), retires by rotation at the Thirty-Sixth Annual General Meeting and being eligible, has offered himself for re-appointment.

EKYC

MCA has vide amendments to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all Directors. All the Directors of the Company have complied with said requirement for FY 2023-24.

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

The Company has a Directors and Officers Liability Insurance Policy which protects Directors and Officers of the Company for any breach of fiduciary duty.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received all the necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence laid down in Section 149(6) of The Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'SEBI (LODR), 2015'. In terms of Regulation 25(8) of the SEBI (LODR), 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board is of the opinion that all the Independent Directors appointed during the year are having good integrity and possess the requisite expertise and experience. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

BOARD EVALUATION

The Nomination and Remuneration Committee has formulated the criteria for performance evaluation of the Directors and the Board as a whole. The criteria formulated broadly covers the Board role, Board/Committee membership, practice & procedure and collaborative approach.

A Board effectiveness assessment questionnaire has been designed for the performance evaluation of the Board, its Committees, Chairman and individual directors. In accordance with the criteria set and covering various aspects of performance including but not limited to structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the directors of the Company for the annual performance evaluation.

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

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)

As on 31st March, 2024, in terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Amit Bagri, Chief Executive Officer, Mr. Jay Joshi, Chief Financial Officer and Mr. Rajeev Kumar, Company Secretary, were the Key Managerial Personnel of the Company.

Mr. Rajeev Kumar has been appointed as the Company Secretary and the Compliance Officer w.e.f. 1st April, 2023.

APPOINTMENT & REMUNERATION OF DIRECTORS AND KMPs

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

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

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals.
- To ensure effective governance of Compensation and alignment of compensation practices with prudent risk taking.
- To ensure that the Compensation practices are within the regulatory framework stipulated from time to time.
- Applicable to all employees of the Company. Employees classified into 4 groups:

(i) Category I – Key Management Personnel (KMPs) comprising of Whole Time Directors/CEO, Company Secretary and CFO

(ii) Category II – Senior Management- Employees in the grade M10 and above holding roles as – Business Head – Corporate Real Estate (CRE) & Corporate Lending (CL)



Credit Head

This excludes employees under Category-III

(iii) Category III: Risk, control and compliance employees – comprising staff as heads of the following control functions;

- a. Compliance
- b. Internal Audit
- c. Legal
- d. Risk and Policy Function

(iv) Category IV: Other employees - This includes all employees, not explicitly covered in the first three categories.

- Compensation structure broadly divided into Fixed, Variable and ESOPs
 - o Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits.
 - o Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to the Company budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights.
 - o ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.
- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification.
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.

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

- Compensation structure broadly divided into:
 - o Sitting fees
 - o Re-imbursement of expenses
 - o Fixed Fee Commission,
- Amount of sitting fees and commission to be decided by the Board from time to time, subject to the regulatory limits.
- Independent Directors are not eligible for any stock options of Kotak Mahindra Bank Ltd., the Company's holding company.

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

The Compensation Policy of the Company is hosted on its website <https://www.kmil.co.in/policies.html>

NUMBER OF BOARD MEETINGS

During the year, eighteen (18) meetings of the Board of Directors were held.

SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act for FY 2023-24.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Rupal D. Jhaveri, Company Secretaries, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March, 2024 is annexed to this. The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, except that there was a delay by 1 (one) day in submission of notice of Record Date under Regulation 60 (2) of SEBI (LODR), 2015.

In this regard, it is clarified that the Company has applied for waiver of the aforesaid penalty vide email dated 12th February, 2024 to BSE. The delay was just for one day and we are yet to get revert from BSE. The Company has also informed to BSE that there is a set process in place for reporting to BSE, however, the same shall be reinforced and tightened further to ensure that the similar instances does not recur. BSE had, as per the relevant SEBI circular dated 29th July, 2022, levied monetary fine, respectively of ₹ 10,000 (excluding GST), for the above referred delay. The Company paid to BSE, the said monetary fine amounts, subject to disposal of Company's request for waiver by BSE. The decision of BSE is awaited in respect of the waiver request for the delay in intimation of record date under Regulation 60(2) of the SEBI (LODR), 2015. (Annexure III)

REPORT ON CORPORATE GOVERNANCE

The Company is committed to achieving and adhering to the highest standards of Corporate Governance and constantly benchmarks itself with best practices.

Pursuant to Regulation 34 of the SEBI (LODR), 2015, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate issued by the Secretarial Auditor of the Company confirming compliance with the mandatory requirements relating to Corporate Governance under the SEBI (LODR), 2015. The Report of Corporate Governance also contains certain disclosures required under the Act, including the details of the Board meetings held during the financial year ended 31st March, 2024. (Annexure V)

The Company also filed with the Stock Exchanges, the quarterly Report on Corporate Governance in terms of Regulation 27(2) of the SEBI (LODR), 2015. The said Reports are available on the Company's website viz., URL: <https://www.kmil.co.in/investor-info.html>

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) rules, 2014, the annual return of the Company as on 31st March, 2024 once prepared shall be disclosed on the Company's website viz. URL: <http://www.kmil.co.in/>.

AUDITORS

In terms of Section 139 of the Companies Act, 2013, M/s. Kalyaniwala & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) were appointed as Statutory Auditors of the Company for a period of 3 (three) years commencing from conclusion of Thirty-Third AGM till the conclusion of Thirty-Sixth AGM for the period of Financial Year beginning from 1st April, 2021 to 31st March 2024 in terms of the Circular dated 27th April, 2021 issued by the Reserve Bank of India (RBI) and the Act. Accordingly M/s Kalyaniwala & Mistry LLP, Chartered Accountants has completed 3 years as Statutory Auditors of the Company, and in view of RBI mandate, M/s. Kalyaniwala & Mistry LLP, Chartered Accountants retires at the conclusion of the Thirty-Sixth AGM.

In view of the same, the Company has proposed to appoint M/s Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as statutory auditor of the Company for a period of 3 (three) years commencing from conclusion of Thirty-Sixth AGM till the conclusion of Thirty-Ninth AGM in place of retiring auditors for a period of 3 years in terms of the Circular dated 27th April, 2021 issued by the Reserve Bank of India (RBI) and the Act, subject to ratification by shareholders.

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

The Audit Committee and Board of Directors recommend the appointment of M/s Varma & Varma, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of Thirty-Sixth AGM till the conclusion of Thirty-Ninth AGM, subject to ratification of approval of appointment and fixing of remuneration by shareholders of the Company. Shareholders are requested to approve appointment and fix their remuneration.

INTERNAL FINANCIAL CONTROLS

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

CONSOLIDATED FINANCIAL STATEMENTS

The audited Consolidated Financial Statements of the Company for FY 2023 - 24 forms a part of this Annual Report.

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

All Related Party Transactions as required under IND AS24 are reported in Note 36 of Notes to Accounts of the consolidated financial statements and Note 36 of Notes to Accounts of the Standalone financial statements of your Company.

The Company's Policy on dealing with Related Party Transactions is available on the Company's website viz. URL: <http://www.kmil.co.in/policies.html>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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



WHISTLE BLOWER POLICY & VIGIL MECHANISM

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

The same is also put up on the Company's website viz. URL: <http://www.kmil.co.in/policies.html>

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 your Company, has constituted a Corporate Social Responsibility Committee (CSR Committee) which consists of the following Directors:

1. Mr. Paresh Parasnis (Chairman of the CSR Committee)
2. Mr. Prakash Apte
3. Mr. Paritosh Kashyap
4. Mr. Amit Bagri

Your Company's CSR policy sets out your Company's vision, mission, governance and CSR focus areas to fulfill its inclusive agenda across various geographies of India. The CSR Policy also highlights your Company's intent to contribute towards the economic, environmental and social growth of the nation and also reflects the organisation's commitment to contribute towards United Nation's ("UN") Sustainable Development Goals ("SDGs"). Your Company has collaborated with implementing agencies across to implement projects in the CSR focus areas viz. Education & Livelihood, Healthcare and Environment & Sustainable Development as defined under the CSR Policy.

The Company's CSR policy is available on the Company's website viz. URL: https://www.kmil.co.in/pdf/CSR_Policy.pdf

Your Company's CSR, Projects and CSR Project Expenditure are compliant with the CSR mandate as specified under Section 134, Section 135 read with schedule VII of the Act 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

The 2% of average net profit of the Company for FY 2023-24 as per Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time is ₹ 8.71 Crore. After setting-off ₹ 0.18 Crore from the excess CSR spent of the previous FY 2022-23, the total CSR obligation of the Company for FY 2023-24 is ₹ 8.53 Crore.

For the period 1st April, 2023 to 31st March, 2024 your Company's CSR Project Expenditure is ₹ 8.62 Crore for FY 2023-24, amount spent on CSR Administrative Overheads is ₹ 0.14 Crore for FY 2023-24. In addition an amount of ₹ 2.35 Crore which is on account of the unutilised CSR Project Expenditure pertaining to ongoing CSR Projects of FY 2023-24 has been transferred to the Kotak Mahindra Investments Limited Unspent CSR Account FY 2023-24 in April 2024. Your Company is committed to utilise the unutilised CSR Project Expenditure of ongoing CSR Projects Expenditure FY 2023-24 of ₹ 2.35 Crore within the stipulated timelines of three years i.e. from 1st April, 2024 to 31st March, 2027.

Together with the CSR Project Spend, administrative expenditure and Unspent CSR amount, the total CSR Expenditure for FY 2023-24 is ₹ 8.76 Crore which is an excess of ₹ 0.05 Crore over and above the total CSR obligation for FY 2023-24.

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

(₹ in Crore - rounded off amounts)

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, 2024
Kotak Mahindra Investments Limited Unspent CSR account FY 2020-21	FY 2020-21	3.41	3.41	NIL
Kotak Mahindra Investments Limited Unspent CSR account FY 2021-22	FY 2021-22	3.94	3.94	NIL
Kotak Mahindra Investments Limited Unspent CSR account FY 2022-23	FY 2022-23	4.72	4.45	0.27

Your Company is committed that the amount available in Unspent accounts towards completion of Board approved Ongoing CSR Projects would be utilised 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 2023-24 annexed to this Report.

The details of CSR Projects and Expenditure under Section 135 of the Act, for FY 2023-24, are annexed to this Report as Annexure I.

RISK MANAGEMENT POLICY

Pursuant to Regulation 21 of the SEBI (LODR), 2015, your Company has a Risk Management Committee, details of which can be referred to in the Report on Corporate Governance forming part of this Report. While Risk Management is the responsibility of the Board of Directors, it has delegated its powers relating to monitoring and reviewing risks associated with the Company to the Risk Management Committee. Your Company has a robust Risk Management framework and the Company has also adopted a group enterprise-wide Risk Management framework supported by appropriate policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Reputation Risk, Interest Rate Risk and various other Risks. Details of identification, assessment, mitigations, monitoring and the management of these risks are mentioned in the Management's Discussion and Analysis Report appended to this Report.

EMPLOYEES

The employee strength of your Company was one-hundred twenty four (124) as of 31st March, 2024.

Two (2) employees employed throughout the year were in receipt of remuneration of ₹ 102 lakh or more per annum and one (1) employee employed for part of the year was in receipt of remuneration of ₹ 8.5 lakh or more per month.

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

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

Your Company continues with the belief of zero tolerance towards sexual harassment at workplace and continues to uphold and maintain itself as a safe and non-discriminatory organization. To achieve the same, your Company reinforces the understanding and awareness of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). Your Company has formulated an Internal Committee for reporting any untoward instance of sexual harassment. Any complaints pertaining to sexual harassment are diligently reviewed and investigated and treated with great sensitivity. The Internal Committee members have been trained in handling and resolving complaints. The Company also has designed an online e-learning POSH Awareness module which covers the larger employee base.

No such instance was reported during the year.

CODE FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted the Kotak Mahindra Investments Limited - Trading Code of Conduct ("Code") for prohibition of insider trading in the securities of the Holding Company (Kotak Mahindra Bank Limited) as well as in other listed and proposed to be listed companies and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI"). The Code, inter alia, prohibits dealing in securities by insiders while in possession of UPSI. The said Code has been amended, from time to time, to give effect to the various notifications/circulars of Securities and Exchange Board of India ("SEBI") with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

During the year, the Company had foreign exchange inflow of ₹ 2.54 Lakh (Previous Year: Nil) while the outgo of foreign exchange was NIL (Previous Year: Nil).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the financial year ended 31st March, 2024;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary (including step-down subsidiaries) and Joint Venture as on 31st March, 2024. There is one associate company within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of business of the associate company.

During the year, the Board of Directors reviewed the affairs of the associate company. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of Company's associate company is given in Form AOC-1 and the same forms part of the financial statement. The statement also provides the details of highlights of performance of associate company.

UNPAID DIVIDEND & IEPF

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. However, since your Company has not declared or paid any dividend, the transfer of unpaid dividend to Investor Education and Protection Fund (IEPF) is not applicable to the Company for FY 2023-24 and no amount is lying in Unpaid Dividend Account of the Company.

REPORTING OF FRAUDS BY STATUTORY AUDITORS

There was no incidence of reporting of fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There was no material change and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

MAINTENANCE OF COST RECORDS

The Maintenance of Cost Records pursuant to Section 148(1) of the Companies Act, 2013 is not required by the Company and accordingly such accounts and records are not made and maintained by the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There is no significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

CHANGES IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report ('MD&A') as required under the SEBI (LODR), 2015 forms part of this annual report. (Annexure IV)

ANNEXURES

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

- a. Annual Report on Corporate Social Responsibility Activities of the Company for the financial year ended 31st March, 2024. (Annexure I)
- b. Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Annexure II)
- c. Secretarial Audit Report pursuant to Section 204 of the Act and Regulation 24A of the SEBI (LODR), 2015. (Annexure III)
- d. Management's Discussion and Analysis Report pursuant to Schedule V Part B of the SEBI (LODR), 2015. (Annexure IV)
- e. Report on Corporate Governance pursuant to Schedule V Part C of the SEBI (LODR), 2015 along with Certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V Part E of the SEBI (LODR), 2015. (Annexure V)

DESPATCH OF ANNUAL REPORT

The MCA has issued General Circular No. 20/2020 dated 5th May, 2020 read with other relevant circulars, including General Circular No. 10/2022 dated 28th December, 2022 and the SEBI has issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, read with other relevant circulars, including Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, in relation to 'Relaxation from compliance with certain provisions of the SEBI (LODR), 2015 relaxing the requirement of dispatching physical copies of the Annual Report and the Notice convening the AGM to Shareholders. Members who wish to have physical copy may write to the Company Secretary of the Company at kmil.secretarial@kotak.com or submit a written request to the Registered Office of the Company. In accordance with the aforesaid circulars, the weblink of the Annual Report and the Notice convening the AGM of the Company is being sent in electronic mode only to members whose e-mail address is registered with the Company. Those members, whose email

address is not registered with the Company and who wish to receive the Notice of the AGM and the Annual Report for the financial year ended 31st March, 2024, can get their email address registered by following the steps as detailed in the Notice convening the AGM. The Annual Report of your Company is available on the Company's website viz., URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record, its gratitude for the valuable guidance and support received from the statutory and the regulatory authorities, its appreciation of the dedication and contribution of your Company's employees at all levels. The Board also acknowledges the faith reposed in the Company by the Company's lending institutions.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th June, 2024

Uday Kotak
Chairman
DIN: 00007467



Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2024

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Your Company recognizes its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

Your Company aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation. It is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs). The Company's CSR policy sets out its 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. Your Company 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 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. Paresh Parasnis	Chairman, Independent Director	3	3
2	Mr. Prakash Apte.	Member, Independent Director	3	3
3	Mr. Paritosh Kashyap	Member, Non-Executive Director	3	3
4	Mr. Amit Bagri	Member, Managing Director & CEO	3	3

3. 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.kmil.co.in/pdf/CSR_Policy.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:

The impact assessment is not mandatory for the Company as its CSR obligation is less than ₹ 10 Crore (limit for mandatory Impact assessment prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

5. (a) Average net profit of the company as per as per sub-section (5) of section 135. - ₹ **435.44 Crore**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135- ₹ **8.71 Crore**
- (c) Surplus arising out of the CSR projects, programmes, or activities of the previous financial years. – **Not applicable**
- (d) Amount required to be set off for the financial year, if any – ₹ **0.18 Crore**
- (e) Total CSR obligation for the financial year [(b) + (c) – (d)] - ₹ **8.53 Crore**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **6.27 Crore**
- (b) Amount spent in Administrative Overheads. – ₹ **0.14 Crore**
- (c) Amount spent on Impact Assessment, if applicable:- **Not applicable**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. – ₹ **6.41 Crore**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6.41*	2.35	25 th April, 2024	N.A	N.A	N.A

* includes administrative overhead cost of ₹ 0.14 Crore

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

Sl. No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5) of the Act	8.71
(ii)	Total amount spent for the Financial Year	8.76*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.23**

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

** Including set off amount of previous financial years

7. Details of Unspent Corporate Social Responsibility 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 Crore)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Crore)	Amount spent in the reporting Financial Year (₹ in Crore)	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 Crore)
					Name of the Fund	Amount (₹ in Crore)	Date of transfer	
1.	2020-21	3.41	1.26	1.26	N.A	N.A	N.A	0
2.	2021-22	3.94	1.49	1.49	N.A	N.A	N.A	0
3.	2022-23	4.72	4.72	4.45	N.A	N.A	N.A	0.27

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

Yes No 6

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 Corporate Social Responsibility Projects of FY 2023-24 :

Sl. 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 (₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Laptops, Chairs, Tables, Racks, Almirah, Battery, Tablet, Printer, Camrea, Inverter Office Equipment etc.	400024, 160055, 201301, 416012, 201301	30/6/23, 8/9/23, 27/9/23, 7/12/23, 22/12/23, 26/3/24, 5/1/24, 9/1/24, 25/1/24, 3/1/24, 5/1/24, 11/1/24, 14/2/24, 21/2/24, 22/3/24, 26/3/24	8,49,791	CSR00000258	Pratham Education Foundation	4 th Floor ,Y B Chavan Centre, Nariman Point, Gen J Bhosale Marg, Maharashtra, Mumbai-400021
2	Machines - Gallileo S 35, EEG machine	400034	30/3/24, 13/3/24	63,28,224	CSR00003225	Society for Rehabilitation of Crippled Children	Centre For Child Development, Haji Ali Park, 1A, Keshavrao Khadye Marg, Mahalakshmi, Mumbai, Maharashtra 400034



Sl. 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 (₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
3	Solar set up (panels, inverter, net meter and generation meter, battery, accessories for installation etc.)	400033, 410206, 400067, 421401, 400066, 402115	24/3/24, 29/3/24	17,88,460	CSR00000756	Seva Sahayog Foundation	Seva Sahayog Foundation, S.No.89,90,91/2, Plot No. 75, Tulshibagwale Colony, Sahakarnagar No. 2, Near Meghna Society, Parvati, Pune, Maharashtra, 411009

* The capital assets created/acquired does not include the capital assets which are under work-in progress, and the number indicates implementing agency/ organisation-wise creation and acquisition of capital asset.

B. Capital assets created/ acquired from Unspent Corporate Social responsibility spent of FY 2022-23 :

Sl. 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 (₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Machines- Aqua Multi gym	400034	02/8/2023	5,88,820	CSR00003225	Society for Rehabilitation of Crippled Children	Centre For Child Development, Haji Ali Park, 1A, Keshavrao Khadye Marg, Mahalakshmi, Mumbai, Maharashtra 400034
2	Dormitories and staff quarters (Please refer note)	791109	31/3/24	1,25,00,000	CSR00014617	Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust, Baghey, Tinali, VKV Nirjuli Complex, Nirjuli, Papumpare, AR10, 791109	Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust, Baghey, Tinali, VKV Nirjuli Complex, Nirjuli, Papumpare, AR10, 791109

Note :

Your Company has undertaken CSR Project with Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust for construction of dormitories for girl students studying in Vidyalayas. The CSR Project was completed in FY 2023-24 on completion of construction of dormitories

C. Capital assets created/ acquired from Unspent Corporate Social responsibility spent of FY 2020-21

Sl. 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 (₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Laptops & Desktop	400088	11/1/24, 16/2/24, 12/12/23, 26/5/23, 19/7/23, 28/3/24	75,000	CSR00001785	Kotak Education Foundation	1st Floor, North Side, Ujagar Compound, Sunder Baug, Opp. Deonar Bus Depot, Off Sion-Trombay Road, Deonar, Mumbai - 400 088

* The capital asset is procured for Project Excel which is collaborative CSR Project of Kotak Group companies and, ₹75.00 thousand was allocated to the Company.

9. 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**

Amit Bagri

(Managing Director & Chief Executive Officer)
DIN: 09659093

Paresh Parasnis

(Chairman CSR Committee)
DIN: 02412035

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES FOR THE FINANCIAL YEAR:

Name	Title	Ratio
Mr. Uday Kotak	Non-Executive Director	0.89
Ms. Padmini Khare Kaicker	Independent Director	1.67
Mr. Prakash Apte	Independent Director	1.76
Mr. Paresh Parasnis	Independent Director	1.95
Mr. Chandrashekhar Sathe	Independent Director	1.83
Mr. Baswa Ashok Rao*	Independent Director	NA
Mr. Paritosh Kashyap	Non-Executive Director	NA
Mr. Phani Shankar#	Non-Executive Director	NA
Mr. Amit Bagri	Managing Director & CEO	18.56

* Mr. Baswa Ashok Rao has been appointed as an Additional Independent Director w.e.f. 22nd March, 2024.

Mr. Phani Shankar has resigned from the Board w.e.f 23rd April, 2024.

2. PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN THE FINANCIAL YEAR:

Name	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Uday Kotak	Non-Executive Director	NA	NA
Ms. Padmini Khare Kaicker	Independent Director	53.23	53.23
Mr. Prakash Apte	Independent Director	NA	NA
Mr. Paresh Parasnis	Independent Director	NA	NA
Mr. Chandrashekhar Sathe	Independent Director	73.10	73.10
Mr. Baswa Ashok Rao*	Independent Director	NA	NA
Mr. Paritosh Kashyap	Non-Executive Director	NA	NA
Mr. Phani Shankar#	Non-Executive Director	NA	NA
Mr. Amit Bagri	Managing Director & CEO	15.7	7.41
Mr. Jay Joshi	Chief Financial Officer	15.61	13.56
Mr. Rajeev Kumar ^	Company Secretary and Compliance Officer	NA	NA

* Mr. Baswa Ashok Rao has been appointed as an Additional Independent Director w.e.f. 22nd March, 2024.

^ Mr. Rajeev Kumar, Company Secretary and Compliance Officer was not employed during part of FY 22-23

Mr. Phani Shankar has resigned from the Board w.e.f 23rd April, 2024.

3. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR:

Percentage increase in the median remuneration of employees is 13.34% considering employees who were in employment for the whole of FY 2022-23 and FY 2023-24.

4. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF COMPANY AT THE END OF THE YEAR:

Number of permanent employees on the rolls of the Company as on 31st March, 2024 is 124.

5. AVERAGE PERCENTILE INCREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:

For employees other than managerial personnel who were in employment for the whole of FY 2022-23 and FY 2023-24 the average increase is 11.84% and 11.15% excluding SARs.

Average increase for managerial personnel who were in employment for the whole of FY 2022-23 and FY 2023-24 is 15.66% and 8.54% excluding SARs.

6. AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY:

The Company is in compliance with its Remuneration Policy.

Notes:

- 1) Median remuneration has been calculated for employees who were in employment for whole of FY 2023-24 and FY 2022-23.
- 2) Ratio of the remuneration of each Director to the median remuneration has been calculated based on the actual remuneration received for the period of office held by them as a Director during FY 2022-23 and not pro-rated for full financial year.
- 3) The Independent Directors of the Company receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of fixed commission.
- 4) Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. However, it does not include value of Stock Options.
- 5) Stock Appreciation Rights (SARs) are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the stock of Kotak Mahindra Bank Ltd. on specified value dates. Cash paid out during the year is included for the purposes of remuneration.
- 6) Percentage increase in remuneration has been given for Directors who were on the Board of the Company for entire two financial years of 2023-24 and 2022-23.



Form No. MR-3 - Secretarial Audit Report

For the Financial Year Ended 31st March 2024 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KOTAK MAHINDRA INVESTMENTS LIMITED

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

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

Based on my verification of the **Kotak Mahindra Investments Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2024 (**"Audit period"**) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) Foreign Exchange Management Act, 1999 ("**FEMA**") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the period under review**)
- (iv) The Depositories Act, 1996 and the Regulations and Bye - Laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI**") to the extent applicable:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the period under review**)
 - (c) The Securities and Exchange Board of The Securities and Exchange Board of India (Share Based Employee Benefits Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the period under review**)
 - (d) 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 period under review**)
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the period under review**)
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the audit period**)
 - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable to the Company.
- (iv) Other Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a) All the Rules, Regulations, Directions, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934.
 - b) The Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records etc) Rules, 2005.

(v) Other laws to the extent applicable to the Company as per the representations made by the Company;

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by The Institute of Company Secretaries of India as notified from time to time.
- (ii) 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.

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

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

- a) There was a delay in submission of notice of Record Date by 1 day under Regulation 60 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A penalty of ₹ 11,800 (including GST) was levied on the Company, which was paid by the Company and the Company has applied for waiver.

I further report that

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

Adequate Notice is given to all directors to schedule the Board and Committee 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.

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

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

I further report that during the Audit period, the Company had following events which had a bearing on the Company's affairs in pursuance of the referred laws, rules, regulations, guidelines, standards etc:

1. Issuance of listed/unlisted, secured, non-convertible debentures for an aggregate amount of 4,381 Crore on a private placement basis during the financial year 2023-2024.
2. Mr. Rajeev Kumar was appointed as a Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 1st April 2023.

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No. 4225

UDIN: F005441F000620363

Peer review No.: 1139/2021

Place: Mumbai

Date: 26th June, 2024

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



'Annexure A'

To,
The Members,
KOTAK MAHINDRA INVESTMENTS LIMITED

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

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No. 4225

UDIN: F005441F000620363

Peer review No.: 1139/2021

Place: Mumbai

Date: 26th June, 2024

Management Discussion and Analysis

COMPANY BUSINESS

The Company is primarily into lending business comprising of lending to real estate sector and providing structured debt solutions to corporates, apart from holding certain strategic investments of the Phoenix ARC Private Limited.

The Company's Real Estate & Structured Debt teams offers one of the most trusted and dedicated platform in the country. From structuring complex transactions to broadening the access to capital, our comprehensive financing and expertise in execution have made us a leading choice for Corporates, Real Estate Developers and Financial Sponsors such as PE & RE Funds for close to a decade and half. The Company is well positioned to harness opportunities that may become available in the current economic environment. The Company endeavors to adopt best practices and ensures highest standards of Corporate Governance through ethical and transparent governance practices.

During the financial year, customer financial assets grew by about 28% to ₹ 12,514 Crore as of March 2024 vis-à-vis ₹ 9,805 Crore as of March 2023. Profit after tax for the year is ₹ 474.96 Crore vis-a-vis ₹ 340.01 Crore for previous year and Total Comprehensive Income for the year is ₹ 483.43 Crore vis-à-vis ₹ 334.16 Crore for previous year. Gross NPA Stage 3 and Stage 2 ratio to overall customer financial assets were at 0.4% (1.21% in FY23) and 3.2% (2.1% in FY23) respectively as of March 2024.

INDUSTRY DEVELOPMENTS & OUTLOOK

The lending activities of the Company are primarily focused on the Real Estate Sector, Large Corporates (both operating and holding companies; sector agnostic), Education sector and select NBFCs.

REAL ESTATE:

The real estate industry has traditionally been largely a regional play with only a handful of players having meaningful presence in more than a couple of cities. We are seeing signs of this changing with select developers trying to move out of their core markets and trying to make their presence felt across multiple cities. At the same time, consolidation in the sector continues with the large listed players seeing significant jump in sales & collections in FY24 (in line with the trend seen in the previous two FY also). Having said that, select smaller developers will continue to have a presence in their niche market. With increase in residential sales and collection, most developers have seen a decrease in their leverage levels, not only as a proportion of their annual sales but, in some cases, in absolute terms also. Listing of new players on the equity market and fund raise by selected existing players has also led to reduction in leverage. The industry is arguably in the best shape that it has been over the last decade.

The residential segment has continued to show resilience in FY24, taking forward the trend that started in mid-Q2 FY20, with sales hitting an all time high (as per some industry reports, new residential sales crossed 1 billion sft for the first time). We continue to see significant improvement in collections from the projects financed by us. Our share of residential book continued to be in the range of 80% of the real estate book.

Commercial real estate has belied all expectations (such as impact of work from home) to continue to with increase in supply and occupancy on a YoY basis, with CY23 supply hitting an all time high – gross / net occupancy are higher than the pre COVID levels. We have changed our approach from cautious to increasing our exposure to this segment. We are also looking to grow in warehousing and data centre lending segment.

The Company increased its RE lending book by 43%. The Company continues to be judicious about the real estate developers that it works with and remains confident of the quality of the lending book. Our asset quality has continued to improve through FY24 with Non-Performing Assets (Stage III assets) remains flat 1.21% of customer assets as at March 23 to 0.4% as at March 24.

STRUCTURED DEBT:

Your company's approach in this segment is largely sector agnostic coupled with focus on two specific segments – education and mid sized NBFC segment.

The portfolio in this segment is diversified across industries. With our competitive cost of funds, the Company is well placed to capture opportunities including refinancing of high cost debt taken by borrowers during the COVID period, event linked financing, financing for growth among others. We also see both the education and mid-sized NBFC segments (specifically the ones backed strong Financial Sponsors) offering good opportunities.

The Company increased our Corporate Loan book from ₹ 5,047 Crore as at March 23 to ₹ 5,736 Crore as at March 24.

OPPORTUNITIES & THREATS

The Company continues to have opportunities to grow both in market share as well as book size in the lending business. Our key challenge is that our competitors i.e. standalone NBFCs and / or private credit funds have significantly more regulatory flexibility on what they can do. Despite your company's impeccable credit track record, regulatory restrictions on us to undertake certain type of financing e.g. loans against shares or financing acquisition of land or shares limits our ability to play in that segment. With your company largely competing in the space where banks are also present, our margins may come under pressure. Capital market (largely investment in IPOs) segment continues to be volatile and it always difficult to predict revenue from there; though the early signs seems positive for FY25. We continue to explore new avenues to achieve our growth targets, while treading carefully at the same time.



INTERNAL CONTROLS

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in Internal Audit Charter. The Internal Audit department of the company, regularly conducts a review to assess the financial and operating controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee and periodically reviewed by the Board of Directors.

HUMAN RESOURCES

The Company is professionally managed & it follows open, transparent & meritocratic policy to nurture human resources. Human resources function is managed by the Group Human Resources team of its holding company, Kotak Mahindra Bank Limited. It encourages and facilitates long term careers with the Company and engaged workforce is a high priority for us, as we recognize people as our most valuable asset.

INFORMATION TECHNOLOGY

During the year, the company has implemented system for automation of ECL and EIR computation. Currently, the output by the system is validated with parallel manual computation apart from that the company has done various automation in existing system resulting to efficiency in operations coupled with strong systems and operational control. The Company closely monitors information security related issues and constantly endeavors to upgrade and fully utilize its IT assets to further its business.

CREDIT RISK

Of the various types of risks which the Company assumes, credit risk contributes to the largest regulatory capital requirement. Credit risk arises as a result of failure or unwillingness on part of customer or counterparties' to fulfil their contractual obligations. The Company assumes credit risk in areas that are well understood and where it has sufficient expertise and infrastructure to effectively measure and balance risk with reward. Company credit policies and standards cover all stages of the credit cycle including origination, client ratings, risk assessment, credit approval, risk mitigation, documentation, administration, monitoring and recovery. Authorities are delegated to positions commensurate with their function and the level of credit knowledge and judgement that employees holding that position are required to possess. The delegation of authority is reviewed at least annually. Appropriate levels of collateralization is obtained based upon the nature of the transaction and the credit quality, size and structure of the borrower.

The Company has a SPR (special performance review) framework that considers various financial and non-financial parameters to identify signs of credit weakness at an early stage. In case of loans where there is significant deterioration, appropriate action is proposed by the SPR Committee.

INTEREST RATE RISK

The aim of managing interest-rate risk is to limit the sensitivity of the balance sheet to interest rate fluctuations. ALCO is the guiding body for management of interest rate risk and sets the overall policy and risk limits with approvals from RMC and the Board. The treasury team is entrusted with the responsibility of managing the same. No interest rate risk is retained within any business other than treasury.

LIQUIDITY RISK

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due without adversely affecting its financial condition or not being able to finance growth of its assets without incurring a substantial increase in costs. The efficient management of liquidity is essential to the Company in order to retain the confidence of the financial markets and maintain the sustainability of the business. Liquidity is managed through the treasury team under guidance from the ALCO by maintaining high quality liquid assets to protect against adverse funding conditions and to support day-to-day operations

Diversification of funding sources is a key element of the funding strategy. Cash flow management is critical for liquidity risk management and the Company has developed a framework to ensure liquidity in stress scenarios. This has been tested through the various liquidity events that happened in the financial markets through the past 4-5 years.

OPERATIONAL RISKS

The Company has an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement. The Company also has a Whistle Blower policy and platform, which is open to employees and vendors for raising their concerns, with full confidentiality, on any fraud, malpractice or any other untoward activity or event. Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services. The company has internal policies and processes in place for managing operational risk in material products, activities and systems.

TECHNOLOGY RISKS

The Company has been committing higher resources to manage technology risk. The focus is towards higher automation and system based output with no or minimal manual intervention. Disaster recovery and Business Continuity Plans (BCP) have been established and various functional and technology initiatives have been taken to enhance system resiliency. Risk assessments are conducted at-least on yearly basis to identify and mitigate key risks for IT governance and Information security. Technology and Operational controls are implemented to manage privileged access to systems. Ongoing audits/ tests are conducted to assess the robustness of its technology controls and minimise the impact of any incidents.

REPUTATION RISK

Trust is the foundation for the finance industry and is critical to building a strong customer franchise. Reputation risk is the risk of current or prospective loss arising from stakeholder's adverse experience while dealing with the institution, which results in an adverse perception / loss of Trust in the institution. Managing reputation is a priority area for the Company Group and there is Zero tolerance for knowingly engaging in any activities that are not consistent with its values, Code of Conduct or policies and have the potential for unacceptable regulatory or reputational risk.

COMPLIANCE RISK

Compliance is given utmost importance with the senior management of the Company directly monitoring the same. The compliance framework, approved by the Board, broadly sets out the compliance risk management processes and tools to be used by businesses, management and Compliance Officers for managing its compliance risks. The Compliance team supports top management and manages and supervises the compliance framework along with providing compliance assistance to various businesses/support functions. The Company has put in place Compliance tracking and Monitoring system to ensure that the regulatory instructions are implemented effectively within the organization. Training on compliance matters is imparted to employees on an ongoing basis.

CAUTIONARY NOTE

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



Report on Corporate Governance

PHILOSOPHY OF CORPORATE GOVERNANCE

Kotak Mahindra Investments Limited ("the Company") believes that Corporate Governance is a reflection of its value system, encompassing its culture, policies and its relationship with the stakeholders such as shareholders, regulators, employees, customers, vendors, government and the community at large. It is a system of practices, processes and rules which directs the affairs of an organisation in an efficient manner and helps it to maximise value for its stakeholders. It essentially involves balancing the interests of an organisation with that of its various stakeholders. Corporate Governance is more than just adherence to the regulatory and statutory requirements, it is equally about focusing on the voluntary practices that underlie the highest levels of transparency. Corporate Governance provides a framework for attaining the objectives of the Company and encompasses practically every sphere of management, from action plans and internal controls to performance measurement, ethics and corporate disclosures. Good Corporate Governance helps to build trust with the investors and the community and also helps in creating, enhancing and safeguarding long-term interest and sustainable value for all its stakeholders. The Company is committed to meet the aspirations of all its stakeholders, which is reflected in shareholder returns, awards, recognitions and decision making, resulting in a valuable relationship and trust with its stakeholders. Strong Corporate Governance practices form the foundation of the Company's consistent performance and has helped it gain the respect and long-term association of its stakeholders. The Company is committed to achieving and adhering to the highest standards of Corporate Governance and ethical practices and constantly benchmarks itself with best practices, in this regard, strengthening its governance practices. The Company's philosophy on Corporate Governance is, therefore, based on the core principles of Accountability and Responsibility, Integrity, Independence, Leadership, Excellence, Fair, Transparent and timely dealings and disclosures, Equality, Sustainability and Social Responsibility. The Board of Directors ("Board") of the Company ensures the basis of an effective Corporate Governance framework by safeguarding and enhancing the shareholders' capital, ensuring independence of the Board and effectiveness of the Management, legal compliance and responsible leadership. The Company has adopted the Codes of Conduct for Directors and employees, which lays down the values and standard of conduct that is expected from them, while performing their roles and responsibilities across various functions of the Company. The Company has also adopted the Whistle Blower Policy, Policy against Sexual Harassment in the Workplace and the Insider Trading Code of Conduct.

BOARD OF DIRECTORS

The Board provides guidance to the Management and directs, oversees and supervises the activities of the Company. The responsibilities of the Company, inter alia, include the formulation of overall strategy for the Company, taking new initiatives, review of financial and operating performance, overseeing major capital expenditure, acquisitions, monitoring of plans, ensuring and monitoring due compliance with applicable laws, pursuing of policies and procedures, reviewing and approving the financial results, reviewing risk factors, adhering and enhancing Corporate Governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders. The Board is responsible for providing strategic guidance for the business and overall affairs of the Company, ensuring effective monitoring of Management and avoiding potential conflicts of interest. The reporting structure of the Company is consistent with the same. The Managing Director & CEO reports to the Board and is responsible for the overall performance of the business of the Company. The Board has constituted various Board and non-Board Committees to deal with matters as may be prescribed under applicable laws or directed by the Board from time to time. The Board has received declarations from the Independent Directors and after undertaking due assessment of the veracity of the same, is of the opinion that, the Independent Directors fulfil the conditions as specified in the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015) and are independent of the Management. Independent Directors have also complied with the provisions of sub rules (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

SIZE AND COMPOSITION OF THE BOARD

The size of the Board commensurates with the size and business of the Company. The selection and appointment of Directors of the Company and its composition is governed by the relevant provisions of the Act and the Rules thereunder, Regulation 17 of the SEBI (LODR), 2015 and the guidelines/regulations/circulars issued by the Reserve Bank of India ("RBI"), from time to time, is in conformity with the same. The Board has a mix of Independent, Non-Executive and Executive Director, with one-half of the Board comprising Independent Directors. The Company's Board consists of eminent individuals having expertise and experience in various fields who understand and respect their fiduciary roles and responsibilities towards its stakeholders, including the duties prescribed under the provisions of the Act and any other applicable laws, and strive hard to meet their expectations at all times. The Board mix provides a combination of professionalism, knowledge and experience required in the lending business industry and for oversight, governance and strategic needs of the Company.

As on 31st March, 2024, the Board of Directors comprised a combination of 9 Directors, as mentioned below:

Sr. No.	Category of Directorship	Name of the Director(s)
1.		Ms. Padmini Khare Kaicker
2.		Mr. Prakash Apte
3.	Independent Director	Mr. Paresh Parasnis
4.		Mr. Chandrashekhar Sathe
5.		Mr. Baswa Ashok Rao*
6.	Non-Executive Director	Mr. Uday Kotak
7.	Non-Executive Director	Mr. Paritosh Kashyap
8.	Non-Executive Director	Mr. Phani Shankar#
9.	Managing Director & CEO	Mr. Amit Bagri

* Mr. Baswa Ashok Rao has been appointed as an Additional Independent Director w.e.f. 22nd March, 2024.

Mr. Phani Shankar has resigned as a Director w.e.f. 23rd April, 2024.

PROFILE OF DIRECTORS

Brief profile of all the Directors comprising their skills/expertise/competence, shareholding in the Company, their directorship in other companies (including listed and unlisted entities), are given below:

MS. PADMINI KHARE KAICKER, NON-EXECUTIVE INDEPENDENT DIRECTOR

Ms. Padmini Khare Kaicker is B.Sc, FCA and is the Managing Partner of B K Khare & Co, Chartered Accountants. She has held a number of key client facing and management roles. Under her leadership the firm has grown to be a full service firm. In addition to growing the firms practice, she has been responsible for building the consulting and corporate finance verticals as also the foray into the financial sector. She has been extensively involved in Financial Services clients across banks, asset managers, brokers/dealers and insurance companies.

She has extensive experience in auditing, large Indian organizations and multinational companies operating in India across a cross section of industries including oil & gas, automotives, information technology, capital goods and financial service sector. In addition, she has led teams on corporate restructuring exercises such as amalgamations, demergers, due diligence and valuations. She is also involved in bettering Corporate Governance as Audit Committee Chairperson of Public companies. She has also served on Committees of the Institute of Chartered Accountants of India.

Age	59 Years
Date of Appointment	17 th August, 2020
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	J B Chemicals and Pharmaceuticals Limited Rallis India Limited Bosch limited Tata Chemicals Limited National Payment Corporation of India Limited
Board Membership in other unlisted entities	

Committee Positions in other entities

Company Name	Name of the Board Committee	Whether Chairperson or Member
Tata Chemicals Limited	Audit Committee Risk Management Committee	Chairperson Member
J B Chemicals and Pharmaceuticals Limited	Audit Committee Risk Management Committee Compensation Committee (ESOS) Share Transfer Committee	Chairperson Chairperson Member Member
Rallis India Limited	Audit Committee Risk Management Committee Nomination and Remuneration Committee	Chairperson Member Member
Bosch Limited	Audit Committee Stakeholders Relationship Committee Nomination and Remuneration Committee Risk Management Committee	Chairperson Member Member Member
National Payment Corporation of India	Audit Committee Corporate Social Committee Nomination and Remuneration Committee	Member Member Member

Special Knowledge/Skills/Competencies/Expertise

Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring , Mergers & Acquisition

**MR. PRAKASH APTE, NON-EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Prakash Krishnaji Apte, aged 70 years, B.E. (Mechanical), served as Managing Director of Syngenta India Limited ("SIL"), an agricultural business company in India and a subsidiary of Syngenta Group, one of the largest research based agri business across the world, from November 2000 to April 2011. Mr. Apte has been the Non-Executive Chairman of SIL from May 2011 till September 2021. He was instrumental in setting up the Syngenta Foundation India which focuses on providing knowledge and support for adopting scientific growing systems to resource poor farmers and enabling their access to market.

In a career spanning over 40 years, he has extensive experience in various areas of management, business leadership and agriculture sector. In more than 16 years of successful leadership experience, he has gained diverse knowledge in various aspects of businesses and has been involved with many initiatives for technology, knowledge and skills upgradation in the agri sector, which is vital for India's food security. He was on the Boards of Syngenta Foundation India and Indo-Swiss Centre of Excellence upto 15th July, 2021 and 8th June, 2021, respectively.

Age	70 Years
Date of Appointment	13 th February, 2023
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	GMM Pfaudler Limited Blue Dart Express Limited Fine Organic Industries Limited Kotak Mahindra Prime Limited
Board Membership in other unlisted entities	Kotak Mahindra Life Insurance Company Limited
Committee Positions in other entities	

Company Name	Name of the Board Committee	Whether Chairperson or Member
Kotak Mahindra Life Insurance Limited	Audit Committee	Chairperson
	Corporate Social Responsibility Committee	Member
	Nomination & Remuneration Committee	Chairperson
	With profits Committee	Member
Fine Organics Industries Limited	Audit Committee	Member
	Risk Management Committee	Chairperson
	Stakeholders Relationship Committee	Member
	Corporate Social Responsibility Committee	Member
Blue Dart Express Limited	Nomination & Remuneration Committee	Chairperson
	Audit Committee	Member
GMM Pfaudler Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Stakeholders Relationship Committee	Chairperson
	Risk Management Committee	Member
Kotak Mahindra Prime Limited	Risk Management Committee	Chairperson
	Corporate Social Responsibility Committee	Member

Special Knowledge/Skills/Competencies/Expertise

Finance, Risk Management, IT, Corporate Restructuring, Administration

MR. PARESH PARASNIS, NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Paresh Shreesh Parasnis is a Fellow member of the Institute of Chartered Accountants of India. From August 2012 to March 2021, he was heading the Piramal Foundation, one of India's leading foundations committed to address social issues through high impact solutions, thought leadership and partnerships. At Piramal Foundation, he was responsible for the Piramal Group's philanthropic activities (implemented through initiatives focussed on primary healthcare, education leadership and safe drinking water), government & donor partnerships, working with the board on strategy, governance and building a broader eco-system oriented partnership mandate. Prior to joining the Piramal Foundation, he served as Executive Director & Chief Operating Officer with HDFC Life Insurance Company Limited (HDFC Life).

During his tenure with HDFC Life (2000-2012) he was a Member of various Board Committees and Chair / Member of Management Committees. He has worked in various senior roles with HDFC Limited (1984-2000) & with Hindustan Lever Limited for two years (1982-84). He has also been a consultant to the World Bank and the Asian Development Bank. He is also a director on the board of Invesco Asset Management (India) Pvt Ltd and has earlier served on the board of Kotak Mahindra Life Insurance (2014-2022). He continues to engage with the development sector by mentoring social entrepreneurs and through his strategic engagement on governing boards of leading non profit organisations like ARMMAN, Collective Good Foundation, Piramal Swasthya and Shoshit Seva Sangh. He has rich experience of over 38 years with major strengths in strategy, board engagement, project management and building & executing robust servicing models.

Age	62 Years																				
Date of Appointment	18 th October, 2022																				
Shareholding in the Company as on 31 st March, 2024	Nil																				
Board Membership in other listed entities	Nil																				
Board Membership in other unlisted entities	Invesco Asset Management (India) Private Limited CreditAccess Life Insurance Limited																				
Committee Positions in other entities	<table border="1"> <thead> <tr> <th>Company Name</th> <th>Name of the Board Committee</th> <th>Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td>Invesco Asset Management (India) Private Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Invesco Asset Management (India) Private Limited</td> <td>Risk Management Committee</td> <td>Member</td> </tr> <tr> <td>CreditAccess Life Insurance Limited</td> <td>Unit Holder Protection Committee</td> <td>Member</td> </tr> <tr> <td>CreditAccess Life Insurance Limited</td> <td>Nomination & Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>CreditAccess Life Insurance Limited</td> <td>Audit Committee</td> <td>Chairperson</td> </tr> </tbody> </table>			Company Name	Name of the Board Committee	Whether Chairperson or Member	Invesco Asset Management (India) Private Limited	Audit Committee	Member	Invesco Asset Management (India) Private Limited	Risk Management Committee	Member	CreditAccess Life Insurance Limited	Unit Holder Protection Committee	Member	CreditAccess Life Insurance Limited	Nomination & Remuneration Committee	Member	CreditAccess Life Insurance Limited	Audit Committee	Chairperson
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Special Knowledge/Skills/Competencies/Expertise	Accounting, Finance, Risk Management, IT, Operations, Corporate Restructuring, Corporate Social Responsibility, Life Insurance, Administration.																				

MR. CHANDRASHEKHAR SATHE, NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Chandrashekhar Sathe, B. Tech. (Chemical Engineering) from IIT, Mumbai, aged 73 years, has over 35 years of experience in the banking and financial sector and was Group Head of Risk Management of Kotak Mahindra Bank before retiring in 2009. Mr. Sathe was a part of the Senior Management team of Kotak Mahindra Group since 1992 and was responsible for setting up the Fixed Income Securities capability of Kotak Mahindra Capital Company Limited. Prior to joining Kotak, he was with Bank of Nova Scotia and Bank of Maharashtra and had wide ranging experience in Banking, Finance, Administration, Credit, Foreign Exchange and Money Markets.

Mr. Sathe is a widely consulted expert on Foreign Exchange and Money Markets in India and is a frequent contributor to financial newspapers, magazines and TV News channels.

Age	73 Years																																
Date of Appointment	30 th March, 2020																																
Shareholding in the Company as on 31 st March, 2024	Nil																																
Board Membership in other listed entities	Kotak Mahindra Prime Limited																																
Board Membership in other unlisted entities	Kotak Mahindra Trustee Company Limited Kotak Mahindra Trusteeship Services Limited * Infinitum Productions Private Limited																																
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Kotak Mahindra Prime Limited	Corporate Social Responsibility Committee	Chairman																															
Special Knowledge/Skills/Competencies/Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring																																

* Mr. Sathe ceased to be a Director of Kotak Mahindra Trusteeship Services Limited w.e.f. 27th April, 2024.


MR. BASWA ASHOK RAO, NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Baswa Ashok Rao, holds a Bachelor's degree in science and is Chartered Accountant (FCA), as well as a Certified Information Systems Auditor (CISA). He has been appointed on the Board of the Company as a Non-Executive Independent Director.

Mr. Rao is a professional with over 36 years' experience Banking and Financial Services Sector, in banking operations, technology and risk management, both within India and abroad. Presently Mr. Rao provides Consulting and Advisory Services to the Financial Services Sector and to the Fintech Industry.

Age	67 Years						
Date of Appointment	22 nd March, 2024						
Shareholding in the Company as on 31 st March, 2024	Nil						
Board Membership in other listed entities	Kotak Mahindra Trusteeship Services Limited						
Board Membership in other unlisted entities							
Committee Positions in other entities							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d3d3d3; text-align: center; padding: 2px;">Company Name</th> <th style="background-color: #d3d3d3; text-align: center; padding: 2px;">Name of the Board Committee</th> <th style="background-color: #d3d3d3; text-align: center; padding: 2px;">Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">Kotak Infrastructure Debt Fund Limited</td> <td style="text-align: center; padding: 2px;">IT Strategy Committee</td> <td style="text-align: center; padding: 2px;">Chairperson</td> </tr> </tbody> </table>		Company Name	Name of the Board Committee	Whether Chairperson or Member	Kotak Infrastructure Debt Fund Limited	IT Strategy Committee	Chairperson
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Kotak Infrastructure Debt Fund Limited	IT Strategy Committee	Chairperson					
Special Knowledge/Skills/Competencies/Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring, Operations.						

MR. UDAY KOTAK, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr. Uday Kotak is the Founder and Director of Kotak Mahindra Bank Limited. He has played an important role in the growth of the Kotak Mahindra group over the past 38 years. Under his leadership, the Kotak Mahindra group has emerged as one of India's leading diversified and integrated financial services conglomerates, providing a range of financial solutions covering banking, asset management, alternate asset management, life and general insurance stock broking, investment banking, private banking, microfinance and asset reconstruction. Mr. Kotak has always believed that the true measure of performance is sustainable value creation. This is also reflected in the Kotak Mahindra Bank's growth where an investment of ₹ 10,000 in 1985 would be worth around ₹ 300 Crore today.

He has played an important role in defining and developing India's banking & financial sector over three decades. Mr. Kotak leads several key bodies and is currently Co-Chairman of the Indo-UK Financial Partnership (IUKFP) and Chairman of the Insolvency & Bankruptcy Board of India's advisory committee on Corporate Insolvency and Liquidation. He is on the International Advisory Panel of Monetary Authority of Singapore, the International Advisory Board of the Government of Singapore Investment Corporation. He was President of the Confederation of Indian Industry (CII) from June 2020 until May 2021. From October 2018 to April 2022, Mr. Kotak also served as Non-Executive Chairman of a specially constituted board of IL&FS (a state-funded non-banking financial company) by the Government of India to steer IL&FS out of deep crisis, which he served as his national duty. In 2017, a Committee on Corporate Governance constituted by SEBI under the leadership of Mr. Kotak recommended sweeping changes towards more robust and transparent corporate governance.

Mr. Kotak has been a recipient of the 'Ernst & Young World Entrepreneur of the Year Award' in 2014, 'Economic Times Business Leader of the Year Award' in 2015, 'Businessman of the Year 2016' by Business India, 'Lifetime Achievement Award' at Financial Express' Best Banks' Awards 2016, 'USIBC Global Leadership Award' at the 2018 India Ideas Summit organised by the U.S.-India Business Council, 'Life Time Achievement Award' at Magna Awards 2019 by Businessworld, 'Best CEO in Banking Sector' by the Business Today Best CEO Awards 2019 and 'India Business Leader of the Year' by CNBC-TV18 at the India Business Leader Awards 2021.

Mr. Kotak also has a vision for equitable prosperity that extends beyond financial services. The Kotak Education Foundation (KEF), a philanthropic trust founded by Mr. Kotak, works with some of India's most economically underprivileged communities, attempting to alleviate poverty through education and livelihood programmes.

Age	65 Years
Date of Appointment	1 st October, 2013
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	Kotak Mahindra Bank Limited
Board Membership in other unlisted entities	Kotak Mahindra Prime Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Life Insurance Company Limited The Mahindra United World College of India The Anglo Scottish Education Society

Committee Positions in other entities

Company Name	Name of the Board Committee	Whether Chairperson or Member
Kotak Mahindra Bank Limited	Large Expenditure and Share Transfer and Other Matters Committee	Member
	Customer Service Committee	Member
	Risk Management Committee	Member
	Group Risk Management Committee	Member
	Subsidiary Oversight and Governance Committee	Member
	Credit and Investment Committee	Members
Kotak Mahindra Capital Company Limited	Audit Committee	Chairperson
	Human Resource and People Development Committee	Member
Kotak Mahindra Life Insurance Company Limited	Nomination and Remuneration Committee	Member
Kotak Mahindra Prime Limited	Nomination and Remuneration Committee	Member

Special Knowledge/Skills/Competencies/Expertise

Business Management, Economics, Finance, Banking, Insurance and Risk Management

MR. PARITOSH KASHYAP, NON-EXECUTIVE DIRECTOR

Mr. Paritosh Kashyap has over two decades of experience in the financial services sector. He joined Kotak Mahindra Group in January 1995. He serves as President, Financial Institution Group- Capital Market and Business Head of Debt Capital Markets in Kotak Mahindra Bank. To his credit, he successfully grew the DCM franchise and established Kotak as a leading player in the Indian Debt Capital Markets. He served as MD and CEO of the Company from 2013 to 2019.

Before joining Kotak, Mr. Kashyap worked with Larsen & Toubro Ltd. for over two years. He is a Chartered Accountant and Cost & Works Accountant. He is an avid reader and loves travelling.

Age	55 Years
Date of Appointment	9 th December, 2016
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	Kotak Infrastructure Debt Fund Limited
Board Membership in other unlisted entities	Nil
Committee Positions in other entities	

Company Name	Name of the Board Committee	Whether Chairperson or Member
Kotak Infrastructure Debt Fund Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility	Member
	Risk Management Committee	Member
	Stakeholders Relationship Committee	Member
	IT Strategy Committee	Members

Special Knowledge/Skills/Competencies/Expertise

Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring, Operations.

MR. PHANI SHANKAR, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR *

Phani Shankar is currently President and Co Head of Financial Markets, Kotak Mahindra Bank and will be taking over as Head – Credit from 1st July 2022.

Phani joined Kotak Mahindra Bank as part of the merger of ING Vysya Bank with Kotak in 2015. He was Head of Financial Markets in ING Vysya Bank for about 8 years. Post merger, he headed the FX Sales vertical within Treasury before taking over as Co-Head in 2020. He worked with Standard Chartered Bank and IDBI Bank in Financial Markets before joining ING Vysya Bank.

Phani has handled various areas of Financial Markets including ALM, Trading and Sales. He was also a member of the Credit Committee of KMB for about 3 years.



Phani is an engineer from NIT Allahabad and did his PG Diploma in Business Management from IIM Ahmedabad.

Age	55 Years
Date of Appointment	5 th July, 2022
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	Kotak Infrastructure Debt Fund Limited ^a
Board Membership in other unlisted entities	Nil
Committee Positions in other entities	
Company Name	
Kotak Infrastructure Debt Fund Limited	Name of the Board Committee
	Whether Chairperson or Member
	Risk Management Committee Member
Special Knowledge/Skills/Competencies/Expertise	
Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring	

* Mr. Phani Shankar ceased to be a Director w.e.f. 23rd April, 2024.

MR. AMIT BAGRI, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Amit Bagri is currently the Managing Director and CEO of the Company. He is MBA from IIM Ahmedabad, B. Com (Hons.) from Sri Ram College of Commerce (SRCC).

Mr. Bagri Amit has over 20 years of experience in M&A and Corporate Banking. He has experience in all aspects of banking including offshore funded / structured transactions. In his earlier role, he has had significant exposure in M&A advisory, privatisation, private equity and valuation.

He joined ING Vysya Bank in Feb 2005 from ANZ Investment Bank where he had worked with their M&A team for a period of over four years. ING Vysya Bank merged with Kotak Mahindra Bank in April 2015. he was earlier with PwC in their Financial Advisory Services division since 1996.

Age	50 Years
Date of Appointment	1 st July, 2022
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	Nil
Board Membership in other unlisted entities	Nil
Committee Positions in other entities	Nil
Special Knowledge/Skills/Competencies/Expertise	
Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring	

Notes for brief profile of Directors:

1. None of the Directors on the Board hold directorships in more than ten public companies and serve as Directors or as Independent Directors in more than seven listed entities. Further, the Executive Directors of the Company do not serve as Independent Directors in any company.
2. None of the Directors on the Board of the Company are members of more than ten committees and Chairpersons of more than five committees across all public companies in which he/she is a Director. For the purpose of determining the limit, membership and chairpersonship of the Audit Committee and the Stakeholders Relationship Committee only have been taken into consideration. All the Directors have made disclosures regarding their membership on various committees in other companies.

BOARD DIVERSITY

Keeping in view the significance of having a diverse Board and to harness the unique and individual skills and experiences of its members in such a way that it collectively benefits the Company in achieving its mission and objectives, the Board of the Company has adopted the Policy on Board Diversity. Emphasis is given to maintain diversity of thoughts, experience, knowledge, education, skills, perspective, culture, age and gender, while scrutinising candidature for appointment of Directors on the Company's Board. The Board Diversity, inter alia, helps in ensuring (i) a balanced Board, with a wide range of attributes of its members; (ii) appropriate blend of functional and domain expertise on the Board; (iii) adequate representation of women on the Board; (iv) appropriate qualifications, expertise, experience and skills-mix on the Board and (v) adherence to the legal requirements, including the Fit and Proper criteria of the RBI, while appointing Directors on the Board. The Board has identified and believes that, the skills/competencies/expertise, as mentioned in the 'Profile of Directors' above, are required for the business of the Company and the Directors of the Company possess these skills/competencies/expertise to function effectively. The names and categories of the Directors on the Board of the Company, the number of directorships and Committee positions held by the Directors in other entities as on 31st March, 2024, as also the areas of specialisation and expertise of the Directors, are mentioned in the section on 'Profile of Directors' of this report.

SUCCESSION PLANNING

With a view to ensuring a continuous pipeline of internal and external talent for the Board (Executive Directors) and the Senior Leadership positions, such as the Managing Director & CEO, the Key Managerial Personnel and other Senior Management Personnel (including Material Risk Takers, such as Chief Risk Officer, Chief Compliance Officer, etc.). Every year, the Nomination & Remuneration Committee (NRC) is presented with the Succession Plan for all the Key Managerial Personnel (KMP) roles (MD & CEO, CFO, CRO and Company Secretary). For FY24, NRC has reviewed and approved the Succession for KMP.

CERTIFICATE ON NON-DEBARMENT OR NON-DISQUALIFICATION OF THE DIRECTORS

In terms of Regulation 34(3) read with Schedule V of the SEBI (LODR), 2015, the Company has obtained a certificate from Ms. Rupal D. Jhaveri, Practising Company Secretary, dated 9th May, 2023, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being

appointed or continuing as Directors of the companies either by Securities and Exchange Board of India ("SEBI") or Ministry of Corporate Affairs ("MCA") or any other statutory/regulatory authority. The same is annexed with this Report on Corporate Governance.

BOARD MEETINGS

SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

The Board meetings are convened by giving appropriate notice after obtaining the approval of the Chairperson and the Managing Director & CEO. The Board meets once a quarter to review the financial results and meets once a year for approval of annual budgets, strategy and when necessary, for such other matters as required under the applicable laws and for business exigencies. The Board also reviews business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources. As required and when necessary, additional meetings are held. Dates of the Board meetings are decided in advance.

The agenda of the Board meeting is prepared by the Company Secretary. The agenda notes are prepared in consultation with the concerned officials of the respective divisions/departments and are approved by the Managing Director & CEO.

Every Director is free to suggest matters for including in the meetings of the Board. All divisions/departments in the Company are encouraged to plan projects/ activities of their functions well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.

The agenda and agenda notes are circulated to the Board by the Company Secretary, in advance.

Additional items on the agenda are permitted with the permission of the Chairperson and with the consent of all the Directors present at the meeting.

The Board is presented with important information on the operations of the Company as well as that which requires deliberation at the highest level. Such Information includes minimum information required to be placed before the Board as per applicable law and on various other critical items such as annual operating plans and budgets, capital budgets, quarterly results, minutes of meetings of the Committees, changes in the regulatory policies, as also media releases by the Company.

There was no other pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company (except transactions in the ordinary course of business and on arm's length basis) during FY 2023-24.

To address specific urgent needs, meetings are also convened at a shorter notice. In case of business exigencies or urgency of matters, resolutions are also passed by the Board through circulation. Audio/video conference calls are arranged to enable the Directors to discuss, in detail, the items to be approved by circulation and seek clarification as may be required and/or discussed with individual directors, when requested. The agenda papers for meetings of the Board are uploaded on a secured web-based portal and can be easily accessed on a tablet device or laptop or computer.

The Company also provides an option to its Directors to attend the Board/Committee meetings electronically through Audio/Video conferencing in accordance with the provisions of applicable laws.

MEETINGS AND ATTENDANCE

During FY 2023-24, 18 meetings of the Board of Directors were held, on 22nd April, 2023, 26th May, 2023, 6th July, 2023, 18th July, 2023, 5th August, 2023, 24th August, 2023, 5th September, 2023, 15th September, 2023, 17th September, 2023, 19th October, 2023, 8th November, 2023, 10th November, 2023, 16th November, 2023, 22nd December, 2023, 18th January, 2023, 23rd February, 2024, 11th March, 2024 and 22nd March, 2024. The details of attendance of the Directors at these meetings and at the last Annual General Meeting ("AGM") are, as under:

Name of Director(s)	Number of Board meetings the Director was entitled to attend during FY 2023-24	Number of Board meetings attended during FY 2023 - 24	% of Attendance of the Director	Attendance at the last AGM held on 27 th June, 2023
Mr. Uday Kotak	18	18	100	No
Ms. Padmini Khare Kaicker	18	15	83.33	No
Mr. Prakash Apte	18	18	100	No
Mr. Paresh Parasnis	18	17	94.44	No
Mr. Chandrashekhar Sathe	18	17	94.44	No
Mr. Baswa Ashok Rao*		NA		
Mr. Paritosh Kashyap	18	17	94.44	No
Mr. Phani Shankar	18	12	66.66	No
Mr. Amit Bagri	18	18	100	Yes

* Mr. Baswa Ashok Rao was appointed as an additional Independent director w.e.f. 22nd March, 2024

Note:

Pursuant to relevant circulars issued by MCA, the AGM of the Company was held through Video Conferencing/Other Audio Visual Means.

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

During the year under review, one meeting of the Independent Directors of the Company was held on 23rd February, 2024. The said meeting was held without the presence of Non-Independent Directors and members of the Management. All the Independent Directors of the Company attended the meeting.

At the meeting of the Independent Directors held on 23rd February, 2024, the Independent Directors evaluated the performance for FY 2023-24, of the Non-Independent Directors, the Board as a Whole, Chairperson of the Board, after taking into account the views of the Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the outcome of the Board Evaluation Process.

DIRECTORS' REMUNERATION

The Directors' Remuneration is determined in accordance with the provisions of the Companies Act, various guidelines and circulars issued by the Ministry of Corporate Affairs from time to time and the provisions of the Compensation Policy for the Employees (including Executive Directors) and Non-Executive Directors of the Company. The respective Compensation Policies are available on the Companies' website viz., URL: <https://www.kmil.co.in/policies.html>

The remuneration paid to the Executive Director is recommended by the Nomination and Remuneration Committee, to the Board for its approval, based on the evaluation of individual director's performance and the overall Company's performance. The Board, based on the recommendation of the Nomination and Remuneration Committee, considers and decides the annual remuneration of Executive Director, within the overall limit approved by the members of the Company.

A) The details of remuneration paid to the Executive Director of the Company during FY 2023-24 were, as under:

(Amount in ₹)

Name of the Director	Mr. Amit Bagri
Basic	8,972,701.00
Allowances	11,028,052.00
Provident Fund	1,076,724.00
Superannuation	
SARs Pay-out	7,180,138.00
Annual Incentive	5,525,000.00
Long Term Deferred Cash	3,043,975.00
Others	64,961.00
Total	36,891,551.00

Number of Stock options granted, as Executive Director(s), during the year

B) During the year under review, Mr. Amit Bagri was granted Employee Stock Options ("ESOPs") as Managing Director and Chief Executive Officer, as under:

Date of Grant	No. of options granted	Exercise Price per share (in ₹)	Vesting %	Vesting Date	Exercise Period
2 nd May 2023	1550	1939	25%	30 th June 2024	6 months
2 nd May 2023	1550	1939	25%	30 th June 2025	6 months
2 nd May 2023	1550	1939	25%	30 th June 2026	6 months
2 nd May 2023	1550	1939	25%	30 th June 2027	6 months
Total	6200	1939			

C) The details of sitting fees and fixed remuneration of Non-Executive Directors, for FY 2023-24, are, as under:

(₹ in lakh)

Name of Director(s)	Sitting Fees	Fixed Remuneration
Mr. Uday Kotak	10.20	7.50
Ms. Padmini Khare Kaicker	18.25	15.00
Mr. Prakash Apte	19.90	15.00
Mr. Paresh Parasnis	23.75	15.00
Mr. Chandrashekhar Sathe	21.35	15.00
Mr. Baswa Ashok Rao	Nil	3.75

Notes:

- As per the Compensation Policy, Fixed Remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter).
- The relevant disclosure with regard to criteria for making payments to Non-Executive Directors is given in the Directors' Report.

COMMITTEES OF THE BOARD OF DIRECTORS

COMPOSITION, ROLE AND MEETING DETAILS OF BOARD COMMITTEES

The Board has constituted several Board and Non-Board Committees to deal with specific matters and has delegated powers for different functional areas, as required under the Companies Act, the SEBI (LODR), 2015 and the various applicable regulations, guidelines, notifications, directions, circulars, etc. issued from time to time by the Ministry of Corporate Affairs. These Committees monitor the activities falling within their specific terms of reference and support the Board in discharging its functions.

The details of Board Committees are, as under:

AUDIT COMMITTEE

Composition:

Ms. Padmini Khare Kaicker (Chairperson)

Mr. Chandrashekhar Sathe

Mr. Paresh Parasnis

Mr. Phani Shankar*

* Mr. Phani Shankar ceased to be a member w.e.f. 23rd April, 2024. Mr. Paritosh Kashyap has been appointed as a member of the Committee w.e.f 27th April 2024

The quorum requirement for the meetings of the Audit Committee is the presence of three members, including at least two-thirds of the members attending the meeting being Independent Directors. The composition of this Committee, is in line with the provisions of the Act, SEBI (LODR), 2015.

All the members of the Audit Committee are Non-Executive Directors and more than two-thirds of the members are Independent Directors of the Company. All the members of the Audit Committee are financially literate in terms of Regulation 18 of the SEBI (LODR), 2015 and have the ability to read and understand financial statements. Ms. Padmini Khare Kaicker and Mr. Paresh Parasnis also possess the requisite accounting and financial management expertise.

The constitution and composition of the Audit Committee is in accordance with the provisions of Section 177 of the Act read with relevant rules made thereunder, Regulation 18 of the SEBI (LODR), 2015. The Company Secretary acts as the Secretary to the Audit Committee. Ms. Padmini Khare Kaicker, Chairperson of the Audit Committee, was present at the last AGM to answer the queries of the members.

The Company has adopted an Internal Guidelines on Corporate Governance for the Audit Committee of the Board of Directors which includes the composition, quorum, periodicity, roles, responsibilities and duties and powers of the Audit Committee.

Meetings and Attendance:

During the year, 9 meetings of the Audit Committee were held on 3rd April, 2023, 22nd April, 2023, 25th May, 2023, 18th July, 2023, 5th October, 2023, 19th October, 2023, 19th December, 2023, 18th January, 2024 and 11th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Ms. Padmini Khare Kaicker	9/9	100
Mr. Chandrashekhar Sathe	9/9	100
Mr. Paresh Parasnis	9/9	100
Mr. Phani Shankar	6/9	66.67

The terms of reference of the Audit Committee, as amended and forming part of its comprehensive Charter document are, as follows:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters
- approve, review and monitor the Risk Based Internal Audit Plan each year
- review inspection conducted by the Regulators and approve action plans for corrective actions



- review of accounting policy, financial operating systems and audit reports
- review of compliance with regulatory guidelines
- review of pending litigations if any
- review compliance of the SEBI (PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are operating effectively.

Besides the members of the Audit Committee, meetings of the Audit Committee are generally attended by invitees who are representatives of the Management. The Statutory Auditors are invited to attend the meetings of the Audit Committee.

The members of the Audit Committee meet the Statutory Auditors independently at least once a year. Where the internal audit report pertaining to specific business is placed, the specific business head also attends that meeting.

NOMINATION AND REMUNERATION COMMITTEE

Composition:

Ms. Padmini Khare Kaicker (Chairperson)

Mr. Chandrashekhar Sathe

Mr. Paritosh Kashyap

The quorum requirement for the meetings of the Nomination and Remuneration Committee ("NRC") of the Company is the presence of three members, including half of the members attending the meeting being Independent Directors and one member of the Risk Management Committee, i.e., Mr. Chandrashekhar Sathe. The Company Secretary acts as the Secretary to NRC.

The constitution and composition of NRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 19 of the SEBI (LODR), 2015.

Ms. Padmini Khare Kaicker, Chairperson of NRC, was present at the last AGM to answer the queries of the members.

Meetings and Attendance:

During the year, four meetings of NRC were held on 30th April, 2023, 4th September, 2023, 11th December, 2023 and 14th March, 2024

Name of Director(s)	Attendance	% of Attendance of the Director
Ms. Padmini Khare Kaicker	4/4	100
Mr. Chandrashekhar Sathe	4/4	100
Mr. Paritosh Kashyap	4/4	100

The terms of reference of the NRC, as amended and forming part of its comprehensive Charter document are, as follows:

- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- while formulating the policy ensure that—
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The details of the performance evaluation criteria for Independent Directors of the Company have been mentioned in the Directors' Report. Further, the Company has Board approved Compensation Policies in place, one for Employees including Managing Director & CEO and one for the Non-Executive Directors, the details of which have been mentioned in the Directors' Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition:

Mr. Prakash Apte (Chairperson)

Mr. Paritosh Kashyap

Mr. Amit Bagri

The quorum requirement for the meetings of the Stakeholders Relationship Committee ("SRC") is the presence of three members, including at least one Independent Director. The Company Secretary functions as the Compliance Officer under the SEBI (LODR), 2015 and acts as the Secretary of SRC.

The constitution and composition of SRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 20 of the SEBI (LODR), 2015.

Mr. Prakash Apte, Chairperson of SRC had authorised Mr. Amit Bagri (Member of SRC) to be present at the last AGM to answer the queries of the members.

Meetings and Attendance:

During the year, one meeting of SRC was held on 14th December, 2023.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Prakash Apte	1/1	100
Mr. Paritosh Kashyap	1/1	100
Mr. Amit Bagri	1/1	100

The terms of reference of SRC, as amended and forming part of its comprehensive Charter document are, as follows:

- Resolving the grievances of the security holders of the listed entity including
- complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend
- warrants/annual reports/statutory notices by the shareholders of the company

During the year under review, Nil investor complaints were received and no complaint was pending as on 31st March, 2024. No penalties or strictures were imposed on the Company by any of the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority on any matter related to capital markets, during the last three years.

RISK MANAGEMENT COMMITTEE

Composition:

Mr. Chandrashekhar Sathe (Chairperson)

Mr. Phani Shankar*

Mr. Paritosh Kashyap

Mr. Amit Bagri

* Mr. Phani Shankar ceased to be a member w.e.f. 23rd April, 2024. Mr. Baswa Ashok Rao has been appointed as a member of the Committee w.e.f 27th April 2024

The quorum requirement for the meetings of the Risk Management Committee ("RMC") is the presence of three members, including at least one Independent Director, of which, one member having professional expertise/qualification in Risk Management. The Company Secretary acts as the Secretary to RMC. The constitution and composition of RMC is in accordance with the provisions of Regulation 21 of the SEBI (LODR), 2015.


Meetings and Attendance:

During the year, four meetings of RMC were held on 26th June, 2023, 14th September, 2023, 24th November, 2023 and 23rd February, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Chandrashekhar Sathe	4/4	100
Mr. Phani Shankar	3/4	75
Mr. Paritosh Kashyap	4/4	100
Mr. Amit Bagri	4/4	100

The terms of reference of the RMC, as amended and forming part of its comprehensive Charter document are, as follows:

RMC exercises supervisory power in connection with the risk management of the Company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Composition:

Mr. Paresh Parasnis (Chairperson)
 Mr. Prakash Apte
 Mr. Paritosh Kashyap
 Mr. Amit Bagri

The quorum requirement for the meetings of Corporate Social Responsibility ("CSR") Committee is, the presence of three members, including one Independent Director. The Company Secretary acts as the Secretary of CSR Committee.

The constitution and composition of the CSR Committee is in accordance with the provisions of Section 135 of the Act read with relevant rules made thereunder.

Meetings and Attendance:

During the year, three meetings of CSR Committee were held on 4th July, 2023, 1st February, 2024 and 15th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Paresh Parasnis	3/3	100
Mr. Prakash Apte	3/3	100
Mr. Paritosh Kashyap	3/3	100
Mr. Amit Bagri	3/3	100

The terms of reference of the CSR Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The Committee is responsible to monitor, review and approve CSR initiatives and expenditure. The Committees shall make recommendations to the Board on CSR policy and related matters.

IT STRATEGY COMMITTEE
Composition:

Mr. Baswa Ashok Rao* (Chairperson)
 Ms. Paresh Parasnis
 Mr. Prakash Apte
 Mr. Paritosh Kashyap
 Mr. Amit Bagri

*Mr. Baswa Ashok Rao was appointed as Chairperson of the ITSC w.e.f. 22nd March, 2024.

The quorum requirement for the meetings of the IT Strategy Committee ("ITSC") is the presence of three members, The Company Secretary acts as the Secretary to ITSC. The constitution and composition of ITSC is in accordance with the provisions of RBI Regulations.

Meetings and Attendance:

During the year, three meetings of ITSC were held on 4th July, 2023, 14th December, 2023 and 15th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Baswa Ashok Rao	NA	NA
Ms. Paresh Parasnus	3/3	100
Mr. Prakash Apte	3/3	100
Mr. Paritosh Kashyap	3/3	100
Mr. Amit Bagri	3/3	100

The terms of reference of the ITSC, as amended and forming part of its comprehensive Charter document are, as follows:

- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization;
- Ensure that the company has put in place processes for assessing and managing IT and cybersecurity risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the company.

ASSET LIABILITY COMMITTEE (ALCO)
Composition:

Mr. Paritosh Kashyap (Chairperson)
 Mr. Amit Bagri
 Mr. Jay Joshi
 Mr. Hiren Vora
 Mr. Piyush Thakkar

The quorum requirement for the meetings of the Asset Liability Committee (ALCO) is the presence of any one Director and any two members. The constitution and composition of ALCO is in accordance with the provisions of RBI Regulations.

Meetings and Attendance:

During the year, twelve meetings of ALCO were held on 24th April, 2023, 12th May, 2023, 7th June, 2023, 7th July, 2023, 8th August, 2023, 7th September, 2023, 12th October, 2023, 22nd November, 2023, 18th December, 2023, 11th January, 2024, 12th February, 2024 and 14th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Paritosh Kashyap	12/12	100
Mr. Amit Bagri	10/12	83.33
Mr. Jay Joshi	10/12	83.33
Mr. Hiren Vora	12/12	100
Mr. Piyush Thakkar	12/12	100

The terms of reference of the ALCO, as amended and forming part of its comprehensive Charter document are, as follows:

ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the NBFC (on the assets and liabilities sides) in line with the NBFC's budget and decided risk management objectives.

CREDIT COMMITTEE (BOARD)*
Composition:

Mr. Phani Shankar (Chairperson)
 Mr. Paritosh Kashyap
 Mr. Amit Bagri



The quorum requirement for the meetings of the Credit Committee (Board) is the presence of all three members, The Company Secretary acts as the Secretary to Credit Committee (Board).

Meetings and Attendance:

During the year, 38 meetings of Credit Committee (Board) were held on 11th April, 2023, 17th April, 2023, 02nd May, 2023, 15th May, 2023, 23rd May, 2023, 29th May, 2023, 05th June, 2023, 12th June, 2023, 26th June, 2023, 27th June, 2023, 01st July, 2023, 10th July, 2023, 13th July, 2023, 17th July, 2023, 24th July, 2023, 14th August, 2023, 19th August, 2023, 21st August, 2023, 28th August, 2023, 11th September, 2023, 23rd September, 2023, 25th September, 2023, 09th October, 2023, 18th October, 2023, 23rd October, 2023, 02nd November, 2023, 08th November, 2023, 09th November, 2023, 10th November, 2023, 24th November, 2023, 30th November, 2023, 04th December, 2023, 18th December, 2023, 12th January, 2024, 17th January, 2024, 19th January, 2024, 25th January, 2024 and 12th February, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Phani Shankar	38/38	100
Mr. Paritosh Kashyap	38/38	100
Mr. Amit Bagri	37/38	97.37

The terms of reference of the Credit Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The Credit committee critically analyses the financials of the various loan proposals and approves or recommends for further approval.

* *The Credit Committee of the Board has been dissolved w.e.f 23rd February, 2024.*

CREDIT COMMITTEE (BOARD II)*

Composition:

Mr. Uday Kotak (Chairperson)

Mr. Prakash Apte

Mr. Paresh Parasnis

The quorum requirement for the meetings of the Credit Committee (Board II) is the presence of all three members, The Company Secretary acts as the Secretary to Credit Committee (Board).

Meetings and Attendance:

During the year, 8 meetings of CCB2 were held on 25th May, 2023, 29th June, 2023, 05th July, 2023, 14th July, 2023, 21st August, 2023, 05th September, 2023, 25th September, 2023 and 24th January, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Uday Kotak	8/8	100
Mr. Prakash Apte	8/8	100
Mr. Paresh Parasnis	8/8	100

The terms of reference of the Credit Committee (Board II), as amended and forming part of its comprehensive Charter document are, as follows:

The Credit committee critically analyses the financials of the various loan proposals and approves or recommends for further approval.

* *The Credit Committee (Board II) has been dissolved w.e.f 23rd February, 2024.*

CREDIT COMMITTEE (VENTURE DEBT)*

Composition:

Mr. Paritosh Kashyap (Chairperson)

Mr. Amit Bagri

Mr. Piyush Thakkar

The quorum requirement for the meetings of the Credit Committee (Venture Debt) is the presence of all three members, The Company Secretary acts as the Secretary to Credit Committee (Venture Debt).

Meetings and Attendance:

During the year Nil meetings of Credit Committee (Venture Debt) was held.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Paritosh Kashyap (Chairperson)	Nil	NA
Mr. Amit Bagri	Nil	NA
Mr. Piyush Thakkar	Nil	NA

The terms of reference of the Credit Committee (Venture Debt), as amended and forming part of its comprehensive Charter document are, as follows:

The Credit Committee (Venture Debt) shall critically analyse the financials of the various loan proposals and approves or recommends for further approval.

** The Credit Committee (Venture Debt) has been dissolved w.e.f 23rd February, 2024*

EXPENSE COMMITTEE
Composition:*

Mr. Paritosh Kashyap (Chairperson)
 Mr. Amit Bagri
 Mr. Jay Joshi

** The Expense Committee was re-constituted w.e.f. 23rd February, 2024. The revised composition is as under:*

Mr. Amit Bagri (Chairperson)
 Mr. Jay Joshi

The quorum requirement for the meetings of the Expense Committee is two members.

Meetings and Attendance:

During the year, Nil meetings of Expense Committee was held.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Paritosh Kashyap	Nil	NA
Mr. Amit Bagri	Nil	NA
Mr. Jay Joshi	Nil	NA

The terms of reference of the Expense Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The members of the Expense Committee will meet or may discuss and approve agenda item on circulation over mail as and when required.

The Expense committee reviews and approves the expenses as per the grid mentioned in Approval Authorities policy.

INVESTMENT COMMITTEE
Composition:*

Mr. Amit Bagri (Chairperson)
 Mr. Paritosh Kashyap
 Mr. Phani Shankar

** The Investment Committee was re-constituted w.e.f. 23rd February, 2024. The revised composition is as under:*

Mr. Amit Bagri (Chairperson)
 Mr. Piyush Thakkar

The quorum requirement for the meetings of the Investment Committee is two members.


Meetings and Attendance:

During the year, Nil meetings of Investment Committee.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Amit Bagri	Nil	Nil
Mr. Paritosh Kashyap	Nil	Nil
Mr. Phani Shankar	Nil	Nil
Mr. Piyush Thakkar	Nil	Nil

The terms of reference of the Investment Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The members of the Investment Committee will meet or may discuss and approve agenda item on circulation over mail as and when required.

WHISTLE BLOWER COMMITTEE
Composition:

Ms. Padmini Khare (Chairperson)
 Mr. Paritosh Kashyap
 Mr. Amit Bagri
 Mr. Rajeev Kumar

The quorum requirement for the meetings of the Whistle Blower Committee is Chairperson and any one member.

Meetings and Attendance:

During the year, Nil meeting of Whistle Blower Committee was held

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Amit Bagri	Nil	NA
Ms. Padmini Khare	Nil	NA
Mr. Paritosh Kashyap	Nil	NA
Mr. Rajeev Kumar	Nil	NA

The terms of reference of the Whistle Blower Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The Whistle Blower Committee assists Audit Committee in discharging their duties with regards to the list that was dotted down in Whistle Blower Policy.

IT STEERING COMMITTEE
Composition:

Mr. Amit Bagri (Chairperson)
 Mr. Jay Joshi
 Mr. Piyush Thakkar

The quorum requirement for the meetings of the IT Steering Committee is any three members.

Meetings and Attendance:

During the year, three meetings of IT Steering Committee were held on 3rd July, 2023, 15th September, 2023 and 13th February, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Amit Bagri	3/3	100
Mr. Jay Joshi	3/3	100
Mr. Piyush Thakkar	3/3	100

The terms of reference of the IT Steering Committee, as amended and forming part of its comprehensive Charter document are, as follows:

- Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Oversee the processes put in place for business continuity and disaster recovery;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update ITSC periodically on the activities of IT Steering Committee.

CUSTOMER GRIEVANCES COMMITTEE

Composition:

Mr. Paritosh Kashyap (Chairperson)
 Mr. Amit Bagri
 Mr. Jay Joshi
 Mr. Rajeev Kumar

The quorum requirement for the meetings of the Customer Grievances Committee is any three members.

Meetings and Attendance:

During the year, five meetings of Customer Grievances Committee were held on 10th April, 2023, 8th August, 2023, 6th October, 2023, 22nd December, 2023 and 30th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Paritosh Kashyap	5/5	100
Mr. Amit Bagri	5/5	100
Mr. Jay Joshi	0/5	0
Mr. Rajeev Kumar	5/5	100

The terms of reference of the Customer Grievances Committee, as amended and forming part of its comprehensive Charter document are, as follows:

- The Grievances committees review the customer grievances received, if any and the actions taken report for the period. Recommending action for grievances pending, if any. Forwarding to the board, observations / recommendations if any. Any other work assigned by the board.

CODE OF CONDUCT

The Company has adopted the Codes of Conduct which are applicable to the Board and Employees including Senior Management Personnel, respectively.

Both the Codes of Conduct have been posted on the website of the Company viz., URL: <https://www.kmil.co.in/pdf/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management.pdf>

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with their respective codes. A declaration signed by the Managing Director & CEO to this effect is given at the end of this Report.

FAMILIARISATION PROGRAMME FOR NON-EXECUTIVE DIRECTORS

The Company believes in familiarising the Independent Directors and Non-Executive Directors with the nature of the industry in which the Company operates, business model and other important matters relating to the Company's business through induction programmes at the time of their appointment.

PRESENTATION WAS MADE ON COVERING THE BELOW ASPECTS:

- The Company asset growth history
- Key management and their employment history with the Kotak Group
- Business Lines of the Company and focus area thereof
- Top borrowers by asset size and income
- Lending philosophy
- Treasury philosophy
- Compliances for Independent Directors

The complete details of the familiarisation programmes conducted for the Directors of the Company are available on the Company's website viz., URL: <https://www.kmil.co.in/pdf/Familiarization%20Programme%202022-23.pdf>.

INDUCTION PROGRAMME FOR NEW DIRECTORS

Presentations were made to familiarise the new Directors with the nature of the industry in which the Company operates. Session were conducted covering areas, such as, Company's Structure/Overview, Business Strategy Financials, the Act and SEBI (LODR), 2015 (important provisions), Wholesale Bank, Human Resources, Wealth Management, Information Technology, Treasury, Asset Management, Insurance, Risk, Compliance Internal Audit and CSR.

FEES PAID TO THE STATUTORY AUDITORS

The Profit and Loss Account of the Company include the following fees paid/payable to the statutory auditors:

Auditor's Name	Statutory/ Audit Fees	Other Matters	Total
M/s. Kalyaniwala & Mistry LLP	3,210,000	290,000	3,500,000

**SHAREHOLDER RELATED INFORMATION****GENERAL MEETINGS**

During the last three years, the General Meetings of the Shareholders of the Company held were as detailed below:

General Meetings	Day, Date, Time and Location	Special Business
EGM 2- 2023-24	Friday, December 29, 2023, via video conferencing	Special Resolution i) To Consider And Approve Increase In The Outstanding Debt Limit From ₹ 13,000 Crore To ₹ 15,000 Crore On An Ongoing Basis.
Thirty-Fifth Annual General Meeting	Tuesday, June 27, 2023, via video conferencing	Special Resolution i) To consider and approve issuance of debentures.
EGM 1- 2023-24	Tuesday, May 9, 2023, via video conferencing	Special Resolution i) Appointment of Mr. Prakash Apte as an Independent Director of the Company, for a period of 5 years w.e.f February 13, 2023 to February 12, 2028 (both days including).
EGM 1- 2022-23	Tuesday, January 17, 2023 via video conferencing	i) Appointment of Mr. Paresh Shreesh Parasnis as a Director and an Independent Director of the Company.
Thirty-Fourth Annual General Meeting	Monday, August 8, 2022 at registered office of the Company at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	Special Resolution i) To consider and approve issuance of debentures. ii) To consider and approve appointment of Mr. Phani Shankar as Director of the Company. iii) To consider and approve appointment of Mr. Amit Bagri as Director of the Company. iv) To consider and approve change in designation of Mr. Amit Bagri as Managing Director of the Company.
Thirty-third Annual General Meeting	Wednesday, July 28, 2021, via video conference.	Special Resolution i) To consider and approve issuance of debentures.

POSTAL BALLOT

No postal Ballot was done during the period under review.

FINANCIALS COMPLIANCE CALENDAR

For each calendar quarter, the quarterly and annual standalone and consolidated financial results of the Company are reviewed and taken on record/approved by the Board, within the statutory prescribed time period and then disclosed to the Stock Exchanges as required under Regulation 52 read with sub-para 4 of Para A of Part A of Schedule III of the SEBI (LODR), 2015. The said financial results are posted on the website of the Company and are available for the current as well as last eight financial years.

BOARD MEETING CALENDAR FOR FY 2024-25

Standalone and Consolidated Financial Results for:	Tentative Date
Quarter ended 30 th June, 2024 (unaudited)	18 th July, 2024
Quarter and half year ended 30 th September, 2024 (unaudited)	17 th October, 2024
Quarter and nine month ended 31 st December, 2024 (unaudited)	17 th January, 2025
Financial year/quarter ended 31 st March, 2025 (audited)	28 th April, 2025

The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.

DEBENTURES AND COMMERCIAL PAPERS

The Company has issued Senior, Unsecured, Rated, Listed, Redeemable, Long Term Bonds in the nature of Non-Convertible Debentures ("NCDs") on private placement basis and the same are listed on BSE. Details of the Commercial Papers as on 31st March, 2024 are, as follows:

ISIN	Description	Quantity	Face Value (₹ in lakh)	Amount (₹ in lakh)	BSE Scrip Code	NSE Symbol
Company has issued Secured and Unsecured Rated Listed Redeemable Non Convertible Debentures ("Bonds") on private placement basis and the same is listed on BSE. Details of outstanding bond as on March 31, 2024 is as below:						
INE975F07HK5	5.50% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES II.DATE OF MATURITY 27/09/2024	3000	1000000	3,000,000,000	973513	550KML28
INE975F07HM1	5.85% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES II. DATE OF MATURITY 15/11/2024	2000	1000000	2,000,000,000	973581	585KML24

ISIN	Description	Quantity	Face Value (₹ in lakh)	Amount (₹ in lakh)	BSE Scrip Code	NSE Symbol
INE975F07H07	5.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES II. TRANCHE SPM1121/01. DATE OF MATURITY 03/12/2024	1000	1000000	1,000,000,000	973608	59KMIL24
INE975F07HR0	ZCB SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES III. DATE OF MATURITY 24/01/2025	750	1000000	750,000,000	973687	KMILZC25A
INE975F07HS8	GSEC LINKED SECURED RATED LISTED REDEEMABLE PRINCIPAL PROTECTED MARKET LINKED NON CONVERTIBLE DEBENTURE. SERIES SPM092201 TRANCHE 1. DATE OF MATURITY 27/08/2024.	2250	1000000	2,250,000,000	974259	KMIL27922
INE975F07HT6	ZCB SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES I TRANCHE 06. DATE OF MATURITY 21/10/2025.	3338	1000000	3,338,000,000	974314	KMILZC25B
INE975F07HU4	8.0041% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES II TRANCHE 06. DATE OF MATURITY 04/11/2025.	2500	1000000	2,500,000,000	974317	8KMIL25
INE975F07HV2	ZCB SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES DATE OF MATURITY 29/01/2026	4877	1000000	4,877,000,000	974495	KMILZC26
INE975F07HX8	ZCB SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES DATE OF MATURITY 28/02/2025.	1500	1000000	1,500,000,000	974493	KMILZC25
INE975F07HZ3	G-SEC LINKED SECURED RATED LISTED REDEEMABLE PRINCIPAL PROTECTED MARKET LINKED NON CONVERTIBLE DEBENTURES TRANCHE 02 DATE OF MATURITY 16/01/2025	20900	100000	2,090,000,000	974549	KMILGSEC25
INE975F07IB2	ZCB At Premium (Redemption Premium ₹29008.50 per Debenture) SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES SERIES KMIL19MAY2026 DATE OF MATURITY 19/05/2026	27250	100000	2,725,000,000	974562	KMILZC26A
INE975F07IC0	7.9915% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES SERIES KMIL23APRIL2026 DATE OF MATURITY 23/04/2026	27500	100000	2,750,000,000	974564	79915KMI26
INE975F07ID8	8.1577% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 04 DATE OF MATURITY 23/02/2026	27600	100000	2,760,000,000	974619	81577KMI26
INE975F07IE6	8.1379% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 04 DATE OF MATURITY 23/06/2026	21350	100000	2,135,000,000	974620	81379KMI26
INE975F07IF3	ZCB SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 1 DATE OF MATURITY 15/10/2024.	32500	100000	3,250,000,000	974663	KMILZC24B
INE975F07II7	8.1059% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 02 DATE OF MATURITY 18/07/2025	40000	100000	4,000,000,000	974776	811KMIL25
INE975F07IJ5	8.1084% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 02 DATE OF MATURITY 18/08/2026	20000	100000	2,000,000,000	974775	811KMIL26
INE975F07IK3	7.9712% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 03 DATE OF MATURITY 05/05/2025	23500	100000	2,350,000,000	975082	797KMIL25
INE975F07IL1	8.0415% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 4 DATE OF MATURITY 26/09/2025	20000	100000	2,000,000,000	975110	804KMIL25
INE975F07IM9	8.0359% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES TRANCHE 4 DATE OF MATURITY 06/10/2026	53000	100000	5,300,000,000	975111	804KMIL26
INE975F07IN7	8.2134% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES DATE OF MATURITY 19/12/2025	21000	100000	2,100,000,000	975167	82134KMI25
INE975F07IO5	8.2185% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES DATE OF MATURITY 27/11/2026	30000	100000	3,000,000,000	975168	82185KMI26
INE975F07IP2	8.1929% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES DATE OF MATURITY 28/01/2027	62500	100000	6,250,000,000	975199	81929KMI27



ISIN	Description	Quantity	Face Value (₹ in lakh)	Amount (₹ in lakh)	BSE Scrip Code	NSE Symbol
INE975F07IQ0	8.2366% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE DATE OF MATURITY 27/05/2027	8000	100000	800,000,000	975283	824KMIL27
INE975F07IR8	8.3774% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE DATE OF MATURITY 21/06/2027	50000	100000	5,000,000,000	975530	838KMIL27
INE975F07IS6	8.3721% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE DATE OF MATURITY 20/08/2027	45600	100000	4,560,000,000	975531	837KMIL27
INE975F08CR9	9% UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES KMIL/2015-16/023. DATE OF MATURITY 31/12/2025	500	1000000	500,000,000	953176	9KMIL25
INE975F08CS7	8.35% UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES KMIL/2016-17/022, KMIL/2016-17/023, KMIL/2016-17/024, KMIL/2016-17/025, KMIL/2016-17/026, KMIL/2016-17/027. DATE OF MATURITY 18/12/2026	500	1000000	500,000,000	955462	835KMIL26
INE975F07HW0	ZCB SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES-KMIL/2022-23/06 &KMIL/2022-23/06	1426	1000000	1,426,000,000	974491	KMILZC24
INE975F08CT5	8.55% UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES KMIL/2016-17/031. DATE OF MATURITY 24/03/2027	1000	1000000	1,000,000,000	956048	85500KMI27
TOTAL		555341	14700000	77,711,000,000		

ISIN	Description	Quantity	Face Value (₹ in lakh)	Amount (₹ in lakh)	BSE Scrip Code	NSE Symbol
Commercial Papers						
INE975F14YD1	364D CP 08APR24	2500	500000.000	1,250,000,000	724603	KMIL100423
INE975F14YL4	364D CP 12JUL24	2000	500000	1,000,000,000	725172	KMIL140723
INE975F14YQ3	364D CP 19JUL24	1000	500000	500,000,000	725222	KMIL21723
INE975F14YR1	365D CP 23JUL24	500.00	500000.000	250,000,000	725226	KMIL240723
INE975F14YU5	364D CP 22AUG24	2700	500000.000	1,350,000,000	725421	KMIL24823
INE975F14YV3	342D CP 31JUL24	2500	500000	1,250,000,000	725420	KMIL240823
INE975F14YW1	291D CP 14JUN24	2500	500000	1,250,000,000	725443	KMIL28823A
INE975F14YY7	260D CP 15MAY24	1500	500000	750,000,000	725454	KMIL290823
INE975F14YZ4	274D CP 30MAY24	200	500000	100,000,000	725472	KMIL30823
						7,700,000,000

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES/FRACTIONAL ENTITLEMENTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), any dividend/sale proceeds of fractional shares arising out of merger and amalgamation which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, all shares in respect of which the dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF Authority. During the financial year 2023-24, the Company has not transferred any amount to IEPF.

SHAREHOLDING - EQUITY SHARES

Category	As on 31 st March, 2024		As on 31 st March, 2023	
	No. of Equity Shares held No. of Equity Shares held	% of Equity Shares	No. of Equity Shares held No. of Equity Shares held	% of Equity Shares
Promoter & Promoter Group Holding	5,622,458	99.99	5,622,458	99.99
Nominee of Promoter	120	0.01	120	0.01

CREDIT RATING

Details of credit rating obtained by the Company for securities outstanding as on 31st March, 2024

Type of instrument	Amount in Crore	Credit rating/outlook	Rating agency
NCD-Tier II	200	CRISIL AAA STABLE & [ICRA]AAA STABLE	CRISIL/ICRA
NCD	7,137.10	CRISIL AAA STABLE & [ICRA]AAA STABLE	CRISIL/ICRA
MLD	434	CRISIL PPMLD AAA/Stable	CRISIL
TERM LOAN	1,972.29	AAA/Stable (Reaffirmed) and CRISIL A1+ (Reaffirmed)	CRISIL
WCDL	720	AAA/Stable (Reaffirmed) and CRISIL A1+ (Reaffirmed)	CRISIL
ICD	125	Not applicable	Not applicable
CP	770	CRISIL A1+	CRISIL

Notes:

- i) Rating for NCD-Tier II reviewed on 11th March, 2024 having Credit rating of CRISIL AAA/STABLE rating and credit rating of [ICRA]AAA STABLE is reaffirmed by ICRA as on 21st March, 2024
- ii) Rating for NCD is reviewed on 21st March, 2024 and 19th March, 2024 for ICRA having credit rating of [ICRA]AAA STABLE and for CRISIL on 11th March, 2024
- iii) Rating of NCD is reviewed on 11th March, 2024 having credit rating of PPM-MLD AAA rated by CRISIL
- iv) Rating of term loan is reviewed on 11th March, 2024 having credit rating of AAA/Stable (Reaffirmed) and CRISIL A1+ (Reaffirmed)
- v) Rating of Working Capital Demand Loan is reviewed on 11th March, 2024 having credit rating of AAA/Stable (Reaffirmed) and CRISIL A1+ (Reaffirmed)
- vi) Inter Corporate loan are unrated
- vii) Rating of Commercial paper is reviewed on 11th March, 2024 having credit rating of CRISIL A1+

DISCLOSURES

- During FY 2023-24, the Company has not entered into any materially significant transactions with its related parties or related parties of its subsidiaries, which could lead to a potential conflict of interest between the Company and these parties. The Company has also not entered into any material financial or commercial transactions with its subsidiaries and other related parties as per AS-18 and the SEBI (LODR), 2015 that may have potential conflict with the interest of the Company at large. During FY 2023-24, none of the related party transactions of the Company exceeded the applicable materiality threshold. During FY 2022-23, there were no related party transactions by the Company which were not in the ordinary course of business or not at an arm's length basis.

The Audit Committee reviews the Related Party Transactions of the Company on a quarterly basis. The Company's Policies on dealing with Related Party Transactions, determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz., URL: https://www.kmil.co.in/pdf/Related%20Party%20Policy_01-2024.pdf

- There were no instances of non-acceptance of any recommendations of the Board level Committees by the Board.
- During the last three years, there were no penalties or strictures imposed on the Company, by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market.
- None of the Directors are related to any other Director.
- The Company has adopted a Whistle Blower Policy. It covers not just employees and directors, but also suppliers, vendors, service providers and other concerned stakeholders of the Company to enable them to raise their concerns relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company or society as a whole. The Company has a digital platform through which concerns may be raised and the same is managed and hosted by an independent third party service provider who has proven expertise in this area, thereby ensuring absolute confidentiality. The Company hereby affirms that, no personnel has been denied access to the Audit Committee.
- The Company has complied with the mandatory requirements regarding Corporate Governance under the SEBI (LODR), 2015, including those covered under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V thereto.
- All the amounts raised by the Company through private placement of Non-Convertible Debentures during FY 2023-24 have been fully utilised towards the purposes for which these amounts were raised and there has been 'no deviation' in utilisation of the proceeds raised.
- The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Company.
- In terms of the SEBI (LODR), 2015 relating to Corporate Governance, the Company's Policy on dealing with Related Party Transactions is available on the Company's website viz., URL: https://www.kmil.co.in/pdf/Related%20Party%20Policy_01-2024.pdf
- The Managing Director & CEO and the Chief Financial Officer of the Company have duly provided the compliance certificate to the Board, as specified in Part B of Schedule II of the SEBI (LODR), 2015.
- The Company presently does not have any demat suspense account/unclaimed suspense account.



COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance stipulated under the SEBI (LODR), 2015.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with most of the non-mandatory requirements of Corporate Governance stipulated under the SEBI (LODR), 2015, as under:

- Audit Qualifications:
During the period under review, there was no audit qualifications in respect of the Company's standalone and consolidated financial statements. The Company continues to adopt best accounting practices and has complied with the Accounting Standards and there is no difference in the treatment.
- Separate Posts of Chairperson and Managing Director & CEO:
Mr. Uday Kotak, a Non-Executive Director, Chairperson and Mr. Amit Bagri is the Managing Director & CEO of the Company.
- Reporting of Internal Auditor:
The Head - Internal Audit, reports to the Audit Committee of the Board.

OTHER DISCLOSURES

THE MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis Report, giving an overview of the Non - Banking Financial Services Industry, the Company's business and its financials, is provided separately as a part of this Integrated Annual Report.

MEANS OF COMMUNICATION

The financial results update approved by the Board, are uploaded on the website of BSE (<https://www.bseindia.com/>) and the Company's website (<https://www.kotak.com/en/investor-relations/financial-results.html?source=website>) within regulatory prescribed timelines. These results are also published in one English and one Marathi Regional Language newspaper, within 48 hours of the conclusion of the relevant Board Meeting. The Company's website from time to time. The Annual Reports of the Company, along with its subsidiaries Annual Reports, since 2012, are also made available on the website (<https://www.kmil.co.in/investor-info.html>). The Investor Relations section also has several other details such as, Governance related disclosures, composition of the Board and Committees thereof, Key Company Policies, SEBI Listing disclosures, Investor Information, Contact and Registration Details, details of RTA, etc.

The financial results and updates on other important events are sent by e-mail to those shareholders whose e-mail IDs are registered with the Company or the Depository Participants. The Company also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report in a newspaper. The financial results are also sent by e-mail to equity research analysts working with various brokerage houses. The financial results and other information filed with the stock exchanges by the Company from time to time, are also available on the website of the BSE. The management of the Company also meets various investors, including its Institutional shareholders.

Pursuant to the provisions of the Companies (Accounts) Rules, 2014 and keeping in view the relaxations granted by the MCA circulars and circulars of SEBI, the Company proposes to despatch the audited financial statements for the financial year ended 31st March, 2024 and all other documents required to be attached thereto, only by electronic mode, to the members whose e-mail address is registered with the Company/Depository Participant(s). Those members, whose e-mail address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the said financial statements for the financial year ended 31st March, 2023, can get their e-mail IDs registered by following the steps as detailed in the Notice convening the Thirty-Sixth Annual General Meeting.

For Kotak Mahindra Investments Limited

Uday Kotak

Chairperson

Amit Bagri

Managing Director & CEO

Place: Mumbai

Place: Mumbai

Date: 27th June, 2024

Date: 27th June, 2024

DECLARATION

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31st March, 2024.

For Kotak Mahindra Investments Limited

Amit Bagri

Managing Director & CEO

Place: Mumbai

Date: 27th June, 2024

To,
The Members

Kotak Mahindra Investments Limited

27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kotak Mahindra Investments Limited having CIN U65900MH1988PLC047986 and having registered office at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	*Date of appointment in Company
1.	Mr. Chandrashekhar Sathe	00017605	30 th March, 2015
2.	Ms. Padmini Khare	00296388	17 th August, 2015
3.	Mr. Uday Kotak	00007467	1 st October, 2013
4.	Mr. Paresh Parasnis	02412035	18 th October, 2022
5.	Mr. Paritosh Kashyap	07656300	9 th December, 2016
6.	Mr. Phani Shankar	09663183	5 th July, 2022
7.	Mr. Amit Bagri	09659093	1 st July, 2022
8.	Mr. Prakash Apte	00196106	13 th February, 2023
9.	Mr. Baswa Ashok Rao	01517632	22 nd March, 2023

* Date of appointment is taken from MCA

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No.: 4225

ICSI UDIN: F005441F000387438

Peer Review Certificate No.: 1139/2021

Place: Mumbai

Date: 17th May, 2024

**ANNEXURE V B**

To,
The Members

KOTAK MAHINDRA INVESTMENTS LIMITED

27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051.

I have examined the compliance of the conditions of Corporate Governance by Kotak Mahindra Investments Limited ("the Company") for the year ended on 31st March, 2024, as stipulated under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, and the representations made by the Directors and 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, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2024.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Rupal Dhiren Jhaveri,
Company Secretary
FCS: F5441
CP: 4225
UDIN: F005441F000511529
PR No.: 1139/2021

Date: 07th June, 2024

Place: Mumbai

Independent Auditor's Report

To The Members of
KOTAK MAHINDRA INVESTMENTS LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Kotak Mahindra Investments Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone Ind-AS financial statements").

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 Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit, total comprehensive income, changes in equity and its 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 ("the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Ind-AS 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.

Expected Credit Loss (ECL) provision in respect of Loans

The Company holds ECL provision of Rs. 8,678.42 lakh and Rs. 12.22 lakh against loans and investments carried at amortised cost respectively.

The allowance for expected credit losses ("ECL") involves a significant level of management judgement.

Key areas of judgement included:

- Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD").
- Each borrower is classified into Stage 1 to 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e. maximum of the DPDs among the facilities ["Max DPD"].
- Determining macro-economic factors impacting credit quality of receivables.
- Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.

We have identified the allowance for ECL as KAM because it requires a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

How our audit addressed the key audit matter

We carried out following procedures in respect to ECL provision:

- We have examined the policy approved by the Board of Directors of the Company that articulates the objectives of managing each portfolio and their business model. We have assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.
- Held discussions with management and obtained an understanding of significant assumptions like Probability of Default, Loss Given Default and exposure at default used for making assessment of ECL provision.
- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and testing of controls around ECL computation.
- We tested the input data such as ratings and period of default, and other related information used in estimating the PD on a sample basis to assess their accuracy and completeness.
- Tested appropriateness of staging of borrowers based on DPD and other loss indicators.
- Ensured mathematical accuracy of the ECL provision by performing recalculations on sample basis.
- Assessed the adequacy of the disclosures in the standalone financial statements.



II. Appropriateness of the recognition of interest income following Effective Interest Rate Approach

The company has accounted for interest income based on effective rate (EIR) method.

The total interest income recognized on loans and investments in current year under EIR accounting is Rs. 125,269.79 lakh.

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given including timing of disbursement of unutilized limits.

Key inputs used in the computation of EIR, are impacted by the management's assumptions. Given the inherent subjectivity in respect of timing of future cash outflow (i.e disbursement of undrawn loans) and the nature and extent of audit procedures involved, we determined this to be a key audit matter.

We carried out following procedures in respect income recognition as per EIR approach –

- Verified reasonableness of key assumptions and accuracy of inputs data used for selected samples.
- Tested the controls around EIR computation.
- Tested the arithmetical accuracy of the calculation of EIR on test check basis.
- Assessed the adequacy of the disclosures in the standalone 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 information included in the Board of Directors' report, but does not include the accompanying financial statements and our auditor's report thereon. The Board of Directors' report, is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take appropriate action as applicable under relevant laws and regulations.

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement 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, the Board of Directors 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES 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 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 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 the users 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 for the year ended March 31, 2024 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone 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, read with relevant rule thereunder.
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2024, taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2024, 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 B".
 - g) As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V and the rules thereunder.



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, 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 – Refer Note 33 to the standalone financial statements;
- ii. The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. - Refer Note 12 to the Standalone Financial Statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Management has represented that:
 - a) to the best of its knowledge and belief, as disclosed in the Note 47 (f) to the standalone financial statements, 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 or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether 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) to the best of its knowledge and belief, as disclosed in the Note 47 (f) to the standalone financial statements, no funds have been received by the Company from any person or entity, 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 such audit procedures performed by us 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 made by the management, under sub-clause (i) and (ii) of Rule 11(e), in Note 47 (f) of the standalone financial statements contain any material misstatement
- v. As per the information and explanations given to us, and based on the audit procedures performed by us, no dividend has been declared or paid during the year by the Company. Accordingly, compliance with the provisions of Section 123 of the Act is not applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration No. 104607W/W100166

Roshni R. Marfatia

Partner

M. No.: 106548

UDIN: 24106548BKCSUQ3901

Mumbai. May 28, 2024.

Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2024:

- i) Property, Plant and Equipment
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of other intangible assets.
 - b) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and based on our examination of the registered sale deeds provided to us, we report that, the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company,
 - d) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not revalued any of its Property, Plant and Equipment or intangible assets. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.
 - e) According to the information and explanations given to us, and based on the audit procedures performed by us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii) Inventory
 - a) The Company is involved in the business of rendering services. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, 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 and based on audit procedures performed by us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii) Loans
 - a) The Company's principal business is to grant loans accordingly, reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us, and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the Company's interest.
 - c) The Company is a non-banking financial company engaged in the business of granting loans and according to the information and explanations given to us, and based on the audit procedures performed by us, we are of the opinion that in respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Further, the borrowers are generally regular in payment of principal and interest as per contractual terms. Loans with principal/interest outstanding for more than thirty days are classified under 'significant increase in credit risk' and 'default' categories based on ageing and other criteria. The Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) for such loan accounts.
 - d) The amounts overdue for more than ninety days in respect of 5 borrowers number of loans is Rs. 4,578.85 lakh. According to the information and explanations given to us, and based on the audit procedures performed by us, reasonable steps have been taken by the Company for recovery of principal and interest.
 - e) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company's principal business is to grant loans. Accordingly, reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.



- f) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the Company during the year.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products / services of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order is not applicable to the Company.
- vii) Statutory Dues
 - a) According to the information and explanations given to us, and based on the audit procedures performed by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other material statutory dues applicable to it, have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of goods and services tax, provident fund, income-tax, cess and other material statutory dues applicable to it, for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, and based on the audit procedures performed by us, in our opinion, there are no dues of goods and services tax, provident fund, income tax, cess and other statutory dues applicable to it which have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of the Dues	Amount (Rs. in lakh)	Period to which the amount related to	Forum where dispute is pending
Goods and Service Tax Act	Goods and Service Tax Demand	8.93	AY 2018-19	Goods and Service Tax Appellate Authority

The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise, value added tax are not applicable to the Company.

- viii) According to the information and explanations given to us, and based on the audit procedures performed by us, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) Borrowings
 - a) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any to banks, financial institution and any lender. The Company not taken any loans or borrowings from Government.
 - b) According to the information and explanations given to us, and based on the audit procedures performed by us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) According to the information explanation given to us, and based on the audit procedures performed by us, the term loans were applied for purpose for which the loans were obtained
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company. The Company does not have any subsidiary or joint ventures.
 - f) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company. The Company does not have any subsidiary or joint ventures.

- x) Allotment of Shares
 - a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
 - b) The Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi) Frauds
 - a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
 - b) We have not come across any instance of material fraud on the Company by its officers or employees during the course of audit of the financial statement for the year ended March 31, 2024, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.
 - c) As represented to us by the Management there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraphs 3(xii)(a) to (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations and records made available to us by the Company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in notes to the standalone financial statements as required by the applicable accounting standards.
- xiv) Internal Audit System
 - a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv) According to the information and explanations given to us, 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 provisions of section 192 of the Act are not applicable to the company.
- xvi) a) In our opinion, and according to the information and explanations given to us, The Company is required to obtain the registration under section 45-IA of the Reserve Bank of India Act, 1934 and the necessary registration has been obtained.
 - b) The Company has obtained Certificate of Registration from RBI for conducting activities relating to Non-banking financing activities.
 - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under paragraph clause 3 (xvi)(c) of the Order is not applicable to the Company.
 - d) In our opinion, and according to the information and explanations given to us, the Company does not have any CIC as a part of its group.
- xvii) The Company has not incurred any cash loss during the current financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated in paragraph 3(xviii) of the Order is not applicable to the Company.



- xxix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, 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 audit report that the 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) Corporate Social Responsibility
 - a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
 - b) In respect of ongoing projects, the Company has transferred Unspent Amount to a special account, within a period of thirty days from the end of the financial year and is in compliance with provision of section 135(6) of the Act.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration No. 104607W/W100166

Roshni R. Marfatia

Partner

M. No.: 106548

UDIN: 24106548BKCSUQ3901

Mumbai. May 28, 2024.

Annexure B to the Independent Auditor's Report

Independent Auditor's report on the Internal Financial Controls with reference to standalone financial statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone financial statements of **Kotak Mahindra Investments Limited** (hereinafter referred to as the 'the Company'), as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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 (the "Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the 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 judgment, 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 internal financial controls with reference standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii) 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 authorizations of management and directors of the Company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 CONTROLS WITH REFERENCE 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 controls 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, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal controls with reference standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration No. 104607W/W100166

Roshni R. Marfatia

Partner

M. No.: 106548

UDIN: 24106548BKCSUQ3901

Mumbai. May 28, 2024.

Balance Sheet

as at 31st March, 2024

(₹ in lakh)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	2	84,667.10	33,347.36
Bank Balance other than cash and cash equivalents	3	49.88	47.09
Receivables	4		
(i) Trade receivables		-	0.28
(ii) Other receivables		1,773.00	155.46
Loans	5	1,170,413.54	933,538.92
Investments	6	218,495.65	249,216.27
Other financial assets	7	391.35	224.92
Total financial assets		1,475,790.52	1,216,530.30
Non-financial assets			
Current tax assets (Net)	31 (E)	253.03	766.78
Deferred tax assets (Net)	31 (D)	3,313.97	2,246.79
Property, plant and equipment	8	195.09	90.90
Intangible assets under development	9	-	14.93
Intangible assets	10	23.03	32.29
Other non-financial assets	11	217.10	101.79
Total non-financial assets		4,002.22	3,253.48
Total Assets		1,479,792.74	1,219,783.78
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	6,326.51	5,891.36
Trade payables	13 (A)		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		534.63	380.84
Other payables	13 (B)		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		679.61	1,354.86
Debt securities	14	759,579.04	490,668.25
Borrowings (other than debt securities)	15	359,370.35	417,296.29
Subordinated liabilities	16	20,238.84	20,231.85
Other financial liabilities	17	108.51	70.55
Total financial liabilities		1,146,837.49	935,894.00
Non-financial liabilities			
Current tax liabilities (Net)	31 (F)	2,986.85	2,699.32
Provisions	18	1,160.62	931.20
Other non-financial liabilities	19	801.91	598.06
Total non-financial liabilities		4,949.38	4,228.58
EQUITY			
Equity share capital	20	562.26	562.26
Other equity	21	327,443.61	279,098.94
Total equity		328,005.87	279,661.20
Total Liabilities and Equity		1,479,792.74	1,219,783.78
Summary of material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Kalyaniwalla & Mistry LLP

Firm Registration Number: 104607W/W100166

Roshni R. Marfatia

Partner

Membership No: 106548

Place: Mumbai

Date: 28th May, 2024

For and on behalf of the Board of Directors of

Kotak Mahindra Investments Limited

Amit Bagri

Managing Director and Chief Executive Officer

DIN: 09659093

Place: Bali

Jay Joshi

Chief Financial Officer

Membership No.: 113701

Place: Mumbai

Date: 28th May, 2024

Paritosh Kashyap

Director

DIN: 07656300

Place: Mumbai

Rajeev Kumar

Company Secretary

Membership No. A15031

Place: Mumbai



Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in lakh)

Particulars	Note	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
REVENUE FROM OPERATIONS			
(i) Interest income	22	135,877.86	88,593.19
(ii) Dividend income	23	79.83	177.01
(iii) Fees and commission income	24	54.75	-
(iv) Net gain on financial instruments measured on fair value	25	5,139.33	1,045.72
(v) Net gain on derecognition of financial instruments under amortised cost category		-	(3.61)
(vi) Other operating income		805.47	648.34
(I) Total revenue from operations		141,957.24	90,460.65
(II) Other income	26	409.49	418.32
(III) Total income (I+II)		142,366.73	90,878.97
EXPENSES			
(i) Finance costs	27	70,200.67	39,304.68
(ii) Impairment on financial instruments	28	394.62	(1,413.18)
(iii) Employee benefits expenses	29	4,406.99	3,827.97
(iv) Depreciation, amortization and impairment	8 & 10	97.25	208.54
(v) Other expenses	30	3,416.31	3,238.30
(IV) Total expenses		78,515.84	45,166.31
(V) Profit before tax (III-IV)		63,850.89	45,712.66
(VI) Tax expense	31		
(i) Current tax		17,706.92	11,611.38
(ii) Deferred tax charge/(credit)		(1,352.24)	99.83
Total tax expense (i+ii)		16,354.68	11,711.21
(VII) Profit for the period (V-VI)		47,496.21	34,001.45
(VIII) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		9.51	14.00
(ii) Income tax relating to above items		(2.39)	(3.52)
Total (A)		7.12	10.48
(B) Items that will be reclassified to profit or loss			
(i) Financial instruments measured at FVOCI		1,121.77	(796.69)
(ii) Income tax relating to above items		(282.33)	200.51
Total (B)		839.44	(596.18)
Other comprehensive income (A + B)		846.56	(585.70)
(IX) Total Comprehensive Income for the year (VII+VIII)		48,342.77	33,415.75
(X) Earnings per equity share-Basic & Diluted (₹)	32	844.74	604.73
Summary of material accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Kalyaniwalla & Mistry LLP

Firm Registration Number: 104607W/W100166

**For and on behalf of the Board of Directors of
Kotak Mahindra Investments Limited**

Roshni R. Marfatia

Partner

Membership No: 106548

Place: Mumbai

Date: 28th May, 2024

Amit Bagri

Managing Director and Chief Executive Officer

DIN: 09659093

Place: Bali

Paritosh Kashyap

Director

DIN: 07656300

Place: Mumbai

Jay Joshi

Chief Financial Officer

Membership No.: 113701

Place: Mumbai

Date: 28th May, 2024

Rajeev Kumar

Company Secretary

Membership No. A15031

Place: Mumbai

Statement of Cash Flows

for the year ended 31st March 2024

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Cash flows from operating activities		
Profit before tax	63,850.89	45,712.66
Adjustments for		
Depreciation and amortization expense	97.25	208.54
Dividend income	(79.83)	(177.01)
Gain on sale of property, plant and equipment	(18.39)	(4.28)
Impairment on financial instruments	394.62	(1,413.18)
Net gain/(loss) on financial instruments at fair value through profit or loss	(5,139.33)	(1,042.11)
Finance costs	70,200.67	39,304.68
Interest on borrowing paid	(56,994.25)	(33,495.62)
Share based payment expense	1.90	7.48
Remeasurements of the defined benefit plans	71.72	91.22
Operating profit before working capital changes	72,385.25	49,192.38
Working capital movement		
(Increase) in Bank Balance other than cash and cash equivalent	(2.79)	(2.06)
(Increase) in loans	(237,289.18)	(266,176.01)
(Increase) / Decrease in receivables	(1,624.62)	133.13
(Increase) / Decrease in other financial assets	(167.37)	(0.08)
(Increase) / Decrease in other non financial assets	(115.32)	143.33
Increase / (Decrease) in trade payables	153.79	69.77
(Decrease) / Increase in other payables	(675.25)	234.33
Increase in other non-financial liabilities	203.85	67.00
Increase / (Decrease) in other financial liabilities	37.96	(7.19)
Increase / (Decrease) in provisions	167.23	(199.31)
Decrease in unamortized discount	28,443.37	15,887.04
	(210,868.33)	(249,850.05)
Cash generated from operating activities	(138,483.08)	(200,657.67)
Income taxes paid	(16,905.31)	(10,404.41)
Net cash From/(used in) operating activities	(155,388.39)	(211,062.08)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(3,261,236.77)	(3,871,138.89)
Sale of investments	3,294,177.48	3,882,095.27
Interest on investments	4,514.50	693.96
Purchase of property, plant and equipment	(177.25)	(73.65)
Sale of property, plant and equipment	18.39	14.59
Dividend on investments	79.83	177.01
Net cash used in investing activities	37,376.18	11,768.29



Statement of Cash Flows

for the year ended 31st March 2024

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from debt securities	436,188.25	230,474.96
Repayment of debt securities	(198,057.96)	(140,082.68)
Intercorporate deposit issued	16,300.00	69,200.00
Intercorporate deposit redeemed	(29,300.00)	(64,200.00)
Commercial paper issued (including CBLO)	813,411.43	518,056.82
Commercial paper redeemed (including CBLO)	(892,700.00)	(601,500.00)
Term loans drawn	114,500.00	122,500.00
Term loans paid	(49,104.57)	(10,668.75)
Increase/(Decrease) in bank overdraft (net)	(41,895.19)	71,895.20
Net cash flows from/(used in) financing activities	169,341.96	195,675.55
Net (decrease) / increase in cash and cash equivalents	51,329.75	(3,618.24)
Cash and cash equivalents at the beginning of the year	33,353.86	36,972.10
Cash and cash equivalents at the end of the year	84,683.61	33,353.86
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 2)		
Cash on hand	-	-
Balances with banks in current account	84,683.61	33,353.86
Cash and cash equivalents as restated as at the year end*	84,683.61	33,353.86

* Cash and cash equivalents shown in Balance Sheet is net of ECL provision of ₹ 16.51 lakh as at 31st March, 2024 (Previous year: ₹ 6.5 lakh)

I) The above Statement of cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of cash flow'.

II) Non-cash financing activity : ESOP from parent of ₹ 1.9 lakh for year ended 31st March, 2024 (March 31, 2023 - ₹ 7.48 lakh)

III) The previous year's figures have been re-grouped, wherever necessary in order to conform to this year's presentation.

As per our attached report of even date

For Kalyaniwalla & Mistry LLP

Firm Registration Number: 104607W/W100166

**For and on behalf of the Board of Directors of
Kotak Mahindra Investments Limited**

Roshni R. Marfatia

Partner

Membership No: 106548

Place: Mumbai

Date: 28th May, 2024

Amit Bagri

Managing Director and Chief Executive Officer

DIN: 09659093

Place: Bali

Jay Joshi

Chief Financial Officer

Membership No.: 113701

Place: Mumbai

Date: 28th May, 2024

Paritosh Kashyap

Director

DIN: 07656300

Place: Mumbai

Rajeev Kumar

Company Secretary

Membership No. A15031

Place: Mumbai

Statement of Changes in Equity

for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

(₹ In lakh)

Particulars	Balance at the beginning of the period	Changes in equity share capital due to prior period errors	Restated balance at beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the period
Equity shares of ₹ 10 each fully paid up					
As on 31 st March, 2023	562.26	-	-	-	562.26
As on 31st March 31, 2024	562.26	-	-	-	562.26

B. OTHER EQUITY

(₹ In lakh)

Particulars	Reserves and Surplus						Financial instruments through OCI	Total
	Securities Premium	Capital redemption reserve	General reserve	Special reserve	Capital contribution from parent	Retained earnings		
Opening balance as on 31st March, 2022	33,545.76	1,003.85	431.10	42,770.77	565.13	1,67,549.90	(190.80)	2,45,675.71
Profit for the year	-	-	-	-	-	34,001.45	-	34,001.45
Other Comprehensive Income for the year	-	-	-	-	-	10.48	(596.18)	(585.70)
Transfer from Statement of Profit and Loss to Special Reserve	-	-	-	6,805.00	-	(6,805.00)	-	-
Share based payment transaction (fair valuation)	-	-	-	-	7.48	-	-	7.48
Changes during the period	-	-	-	6,805.00	7.48	27,206.93	(596.18)	33,423.23
Closing balance as on 31st March, 2023	33,545.76	1,003.85	431.10	49,575.77	572.61	1,94,756.83	(786.98)	2,79,098.94
Opening balance as on 31st March, 2023	33,545.76	1,003.85	431.10	49,575.77	572.61	1,94,756.83	(786.98)	2,79,098.94
Profit for the year	-	-	-	-	-	47,496.21	-	47,496.21
Other Comprehensive Income for the year	-	-	-	-	-	7.12	839.44	846.56
Transfer from Statement of Profit and Loss to Special Reserve	-	-	-	9,500.00	-	(9,500.00)	-	-
Share based payment transaction (fair valuation)	-	-	-	-	1.90	-	-	1.90
Changes during the period	-	-	-	9,500.00	1.90	38,003.33	839.44	48,344.67
Closing balance as on 31st March, 2024	33,545.76	1,003.85	431.10	59,075.77	574.51	2,32,760.16	52.46	3,27,443.61

Nature and purpose of reserves: Refer Note 21.1

As per our attached report of even date

For Kalyaniwalla & Mistry LLP

Firm Registration Number: 104607W/W100166

Roshni R. Marfatia

Partner

Membership No: 106548

Place: Mumbai

Date: 28th May, 2024

**For and on behalf of the Board of Directors of
Kotak Mahindra Investments Limited**

Amit Bagri

Managing Director and Chief Executive Officer

DIN: 09659093

Place: Bali

Jay Joshi

Chief Financial Officer

Membership No.: 113701

Place: Mumbai

Date: 28th May, 2024

Paritosh Kashyap

Director

DIN: 07656300

Place: Mumbai

Rajeev Kumar

Company Secretary

Membership No. A15031

Place: Mumbai



Notes

to the financial statements for the year ended 31st March, 2024

1.1. CORPORATE INFORMATION

Kotak Mahindra Investments Limited (the Company) is registered as a Non-Banking Financial Company with Reserve Bank of India. The Company is engaged in providing finance for developer funding, corporate loans, and such other activities as holding long term strategic investments. The Company is a 100% subsidiary of Kotak Mahindra Bank Ltd.

The Company's registered office is at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

1.2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and relevant provisions of the Companies Act, 2013.

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 standalone financial statements.

These standalone financial statements were authorized for issue by the Company's Board of Directors on 28th May, 2024

B. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).
- Share based payments - measured at fair value of the options (refer accounting policy regarding share based payments).

C. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakh with two decimals, except when otherwise indicated.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

D. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may 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. Determination of estimated useful lives of property, plant and equipment

Useful lives of property, plant and equipment 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.

II. 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.

III. Recognition and Measurement of defined benefit obligations

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

Notes

to the financial statements for the year ended 31st March, 2024

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, depreciation carryforwards and unused tax credits could be utilized.

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII. Fair value of share-based payments

Share-based compensation benefits are provided to employees via the (a) Kotak Mahindra Equity Option Scheme 2007; and (b) Kotak Mahindra Equity Option Scheme 2015 (the 'Option Plan') managed by Kotak Mahindra Bank Limited (the Holding Company), an employee share scheme and share-appreciation rights.

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 have been made with respect to expected volatility including share price, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the Statement of Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

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

VIII. Fair value of financial instruments

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

For further details about determination of fair value please see Note 37.

IX. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

X. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given (timing of disbursement)/ taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement



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regarding the expected behaviour and life-cycle of the instruments, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

XI. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments classified as FVOCI. 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.

The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

XII. 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.

1.3. ADOPTION OF NEW AND REVISED STANDARDS

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after 1st April, 2023 (i.e. year ending 31st March, 2024).

IND AS 1 – PRESENTATION OF FINANCIAL STATEMENTS

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. There is no material impact of this amendment on the financial statements.

IND AS 12 – INCOME TAXES

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. There is no material impact of this amendment on the financial statements.

IND AS 8 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. There is no material impact of this amendment on the financial statements.

New amendments issued but not effective:

There are no new accounting standards/amendments issued by the regulators as on date which would become effective from next year.

1.4. MATERIAL ACCOUNTING POLICIES

A. REVENUErecognition

- I. Interest income on financial assets is recognized on an accrual basis using effective interest (EIR) method other than the financial assets classified as measured at FVTPL. The EIR is determined considering all contractual terms, fees received, transaction costs incurred and all other premiums or discounts. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under stages 1 and 2 as against on amortised cost net of impairment allowance for the assets falling under impairment stage 3. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.
- II. Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.

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- III. Fees income is recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out in Ind AS 115.
- IV. Revenue from services is recognized net of taxes as and when the service is performed as per the relevant agreements.
- V. Other revenue income is recognised when it is probable that consideration would be collected while considering the customer's ability and intention to pay when it is due.

B. 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.

All regular way purchase or sale of financial instruments 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.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories;

- those to be subsequently measured at (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Initial recognition and measurement

All financial assets are recognized 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.

Business model assessment

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

- 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.
- The Company monitors financial assets measured at Amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:
 - If such financial assets no longer meets the credit criteria in Company's Investment policy;
 - Credit Risk on a financial assets has increased significantly;
 - To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
 - Sales are infrequent or insignificant in value both individually or in aggregate
 - if sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.



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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.

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

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

(i) Financial assets at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit and Loss. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. The losses if any, arising from impairment are recognised in the Statement of Profit and Loss.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

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

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, on such instrument is recognized through Statement of Profit and Loss.

After initial measurement, such financial assets are subsequently measured at fair value. Subsequent changes in the carrying amount of these financial assets as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in Statement of Profit and Loss. The amounts that are recognised in Statement of Profit and Loss are the same as the amounts that would have been recognised in Statement of Profit and Loss if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive income. The loss allowance is recognized in 'Other Comprehensive Income' (OCI) and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

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(iii) 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 Statement of Profit and Loss.

(iv) 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

Any contract that evidences a residual interest in the assets after deducting all of its liabilities are classified as Equity Instruments. Equity instruments issued by the Company are recognized at the proceeds received and transaction costs are recognized as a deduction from equity.

Financial liabilities

Financial liabilities are measured at fair value less transaction cost directly attributable to the issue of the financial liabilities at initial recognition and subsequently measured at amortized cost except when designated to be measured at FVTPL. Interest expense is recognized in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognized in Statement of Profit and Loss.

C. 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 amortized cost and FVOCI, such as loans, trade receivables, security deposit, 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 amortized cost and FVOCI 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 since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market for that financial asset because of financial difficulties

ECL are a probability-weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

ECL has been estimated by determining the probability of default ('PD'), Exposure At Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default converted into forward looking PD's using suitable macro-economic variable data and other observable inputs.

- 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.



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

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

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

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

The Company applies a three-stage approach to measure ECL on financial assets measured at amortized 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 recognized. 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, deterioration in internal/external ratings 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 recognized. 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 recognized 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.

For financial instruments whose significant payment obligations are only after next 12 months, life time ECL is applied.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate 12 month ECL and lifetime ECL.

Manner in which forward looking assumptions has been incorporated in ECL estimates:

The Company considers historical observed default rates 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 output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

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D. WRITE-OFFS

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

E. 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 derecognized 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 statement of profit or loss.

Financial liabilities

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

F. 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 derecognized, and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in recognition 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 recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of Profit and Loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.

G. MEASUREMENT OF FAIR VALUES

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.



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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 a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the lowest level inputs that are significant to the measurements, used in the valuation techniques as follows:

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

H. OFFSETTING OF FINANCIAL INSTRUMENTS

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

I. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

J. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Gain or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and recognized as income or expense in the Statement of Profit and Loss.

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

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment 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 property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year-end. Estimated useful lives over which assets are depreciated are as follows:

Asset Type	Useful life in years
Premises	58
Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Office Equipment	5
Computers	3
Furniture and Fixtures	6
Vehicles	4

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Used property, plant and equipment purchased are depreciated over the residual useful life from the date of original purchase. For property, plant and equipment purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Property, plant and equipment costing less than ₹5,000 are fully depreciated in the year of purchase.

K. INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their estimated useful lives on a straight line basis, from the date they are available for use. Estimated useful life over which intangible assets are amortised are as follows:

Asset Type	Useful life in years
Software and System Development	3

L. BORROWING COST

Borrowing costs other than those directly attributable to qualifying Property, Plant and Equipment are recognised on EIR basis.

M. INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in statement of profit or 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.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

N. EMPLOYEE BENEFITS

- I. Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to the Statement of Profit and Loss when due.
- II. The Company contributes up to 10% of eligible employee's salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Company recognizes such contributions as an expense in the year when an employee renders the related service.



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- III. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on 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.
- IV. Re-measurement of all defined benefit plans, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income in the year they are incurred. Re-measurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss. 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 statement of profit or loss.
- V. The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives.
- VI. 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 utilization. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.
- VII. As per the Company's policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of fellow subsidiary.

O. EMPLOYEE SHARE BASED PAYMENTS

Equity-settled scheme:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. Fair value determined at the grant date is reduced by payment, if any, made to the parent, is recognized as deemed contribution to equity from parent.

Cash-settled scheme:

The cost of cash-settled scheme (stock appreciation rights) is measured initially using fair value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This fair value is amortized on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is re-measured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the Statement of Profit and Loss in 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

P. SEGMENTAL REPORTING

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

Company has three principal operating and reporting segments viz

- Commercial Real Estate
- Structured Products and Other Lending
- Treasury and investments

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to the Company as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Notes

to the financial statements for the year ended 31st March, 2024

Q. EARNINGS PER SHARE

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

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

R. PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in the notes. Contingent assets are neither recognized nor disclosed in financial statements.

S. LEASES

At the inception of the contract Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of identified asset;
- (ii) the Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- (iii) the Company has right to direct the use of the asset.

As lessee

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

T. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying values of assets 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 recognized for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal 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 Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

U. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost'.

V. 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, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

W. 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.



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 2 CASH AND CASH EQUIVALENTS*

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Balances with banks		
- In current account	69,675.82	33,353.86
In fixed deposits with banks with original maturity of less than 3 months	15,007.79	-
	84,683.61	33,353.86
Less: Impairment loss allowance	(16.51)	(6.50)
Total	84,667.10	33,347.36

*There exists a charge on the cash and cash equivalents held by the Company in favour of the Debenture Trustee towards the debentures issued by the Company excluding unspent CSR account.

NOTE 3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Fixed deposit with banks with maturity of more than 3 months	49.89	47.10
Less: Impairment loss allowance	(0.01)	(0.01)
Total	49.88	47.09

NOTE 4 RECEIVABLES

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
A. Trade receivables		
Unsecured, considered good	-	0.28
Less: Impairment loss allowance	-	-
Total (A)	-	0.28
B. Other receivables		
Unsecured, considered good - from related parties	1,781.03	156.04
Less: Impairment loss allowance	(8.03)	(0.58)
Total (B)	1,773.00	155.46

Notes

to the financial statements for the year ended 31st March, 2024

TRADE RECEIVABLE AGEING SCHEDULE

As on 31st March, 2024

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

As on 31st March, 2023

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	-	-	-	-	0.07	-	0.21	0.28
Total	-	-	-	-	0.07	-	0.21	0.28

NOTE 5 LOANS

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value			Sub total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
As on 31st March, 2024						
(A)						
(i) Revolving loans	14,855.55	-	-	-	-	14,855.55
(ii) Term loans	11,05,845.85	-	-	-	-	1,105,845.85
(iii) Pass through certificates	58,390.56	-	-	-	-	58,390.56
Total Gross (A)	1,179,091.96	-	-	-	-	1,179,091.96
Less: Impairment loss allowance	(8,678.42)	-	-	-	-	(8,678.42)
Total Net (A)	1,170,413.54	-	-	-	-	1,170,413.54
(B)						
(i) Secured by tangible assets	1,032,004.45	-	-	-	-	1,032,004.45
(ii) Covered by Bank/Government Guarantees	2,213.98	-	-	-	-	2,213.98
(iii) Unsecured	144,873.53	-	-	-	-	144,873.53
Total Gross (B)	1,179,091.96	-	-	-	-	1,179,091.96
Less: Impairment loss allowance	(8,678.42)	-	-	-	-	(8,678.42)
Total Net (B)	1,170,413.54	-	-	-	-	1,170,413.54
(C) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Others	1,179,091.96	-	-	-	-	1,179,091.96
Total Gross (C)	1,179,091.96	-	-	-	-	1,179,091.96
Less: Impairment loss allowance	(8,678.42)	-	-	-	-	(8,678.42)
Total Net (C)	1,170,413.54	-	-	-	-	1,170,413.54



Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value			Sub total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
As on 31st March, 2023						
(A)						
(i) Revolving loans	17,987.13	-	-	-	-	17,987.13
(ii) Term loans	900,876.42	-	-	-	-	900,876.42
(iii) Pass through certificates	24,647.87	-	-	-	-	24,647.87
Total Gross (A)	943,511.42	-	-	-	-	943,511.42
Less: Impairment loss allowance	(9,972.50)				-	(9,972.50)
Total Net (A)	933,538.92	-	-	-	-	933,538.92
(B)						
(i) Secured by tangible assets	744,326.00	-	-	-	-	744,326.00
(ii) Covered by Bank/Government Guarantees	6,424.46	-	-	-	-	6,424.46
(iii) Unsecured	192,760.96	-	-	-	-	192,760.96
Total Gross (B)	943,511.42	-	-	-	-	943,511.42
Less: Impairment loss allowance	(9,972.50)	-	-	-	-	(9,972.50)
Total Net (B)	933,538.92	-	-	-	-	933,538.92
(C) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Others	943,511.42	-	-	-	-	943,511.42
Total Gross (C)	943,511.42	-	-	-	-	943,511.42
Less: Impairment loss allowance	(9,972.50)	-	-	-	-	(9,972.50)
Total Net (C)	933,538.92	-	-	-	-	933,538.92

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 6 INVESTMENTS

(₹ in lakh)

Particulars	Amortised Cost (1)	At Fair Value			Sub total (5=2+3+4)	Others* (6)	Total (7=1+5+6)
		Through Other Comprehensive Income (2)	Through profit or loss (3)	Designated at fair value through profit or loss (4)			
As on 31st March, 2024							
(A) Mutual funds	-	-	-	-	-	-	-
Government securities	-	119,032.64	-	-	119,032.64	-	119,032.64
Treasury bills	-	14,951.09	-	-	14,951.09	-	14,951.09
Debt securities	32,262.31	-	40,020.27	-	40,020.27	-	72,282.58
Equity instruments	-	-	1,815.14	-	1,815.14	-	1,815.14
Associates	-	-	-	-	-	6,100.50	6,100.50
Venture fund	-	-	4,325.78	-	4,325.78	-	4,325.78
Preference share	-	-	0.14	-	0.14	-	0.14
Total Gross (A)	32,262.31	133,983.73	46,161.33	-	180,145.06	6,100.50	218,507.87
(B) (i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	32,262.31	133,983.73	46,161.33	-	180,145.06	6,100.50	218,507.87
Total (B)	32,262.31	133,983.73	46,161.33	-	180,145.06	6,100.50	218,507.87
Less: Impairment allowance	(12.22)	-	-	-	-	-	(12.22)
Total Net	32,250.09	133,983.73	46,161.33	-	180,145.06	6,100.50	218,495.65

(₹ in lakh)

Particulars	Amortised Cost (1)	At Fair Value			Sub total (5=2+3+4)	Others* (6)	Total (7=1+5+6)
		Through Other Comprehensive Income (2)	Through profit or loss (3)	Designated at fair value through profit or loss (4)			
As on 31st March, 2023							
(A) Mutual funds	-	-	45,006.87	-	45,006.87	-	45,006.87
Government securities	-	149,605.15	-	-	149,605.15	-	149,605.15
Treasury bills	-	4,402.06	-	-	4,402.06	-	4,402.06
Debt securities	36,979.99	-	-	-	-	-	36,979.99
Equity instruments	-	-	5,916.06	-	5,916.06	-	5,916.06
Associates	-	-	-	-	-	6,100.50	6,100.50
Venture fund	-	-	1,256.06	-	1,256.06	-	1,256.06
Preference share	-	-	0.14	-	0.14	-	0.14
Total Gross (A)	36,979.99	154,007.21	52,179.13	-	206,186.34	6,100.50	249,266.83
(B) (i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	36,979.99	154,007.21	52,179.13	-	206,186.34	6,100.50	249,266.83
Total (B)	36,979.99	154,007.21	52,179.13	-	206,186.34	6,100.50	249,266.83
Less: Impairment allowance	(50.56)	-	-	-	-	-	(50.56)
Total Net	36,929.43	154,007.21	52,179.13	-	206,186.34	6,100.50	249,216.27



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 7 OTHER FINANCIAL ASSETS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Deposits with Clearing Corporation of India (CCIL)	200.00	200.00
Other deposits	193.12	25.75
	393.12	225.75
Less: Impairment loss allowance	(1.77)	(0.83)
Total	391.35	224.92

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in lakh)				
	Buildings*	Vehicles	Office Equipment	Computers	Total
At cost as an 1st April, 2022	7.61	90.15	3.52	68.62	169.90
Additions during the year	-	26.66	-	35.31	61.97
Disposals during the year	-	(16.69)	-	(30.55)	(47.24)
At cost as on 31st March, 2023	7.61	100.12	3.52	73.38	184.63
Accumulated depreciation and impairment losses as at 1st April, 2022	0.88	48.82	3.52	29.28	82.50
Depreciation for the year	0.18	26.85	-	21.13	48.16
Disposals during the year	-	(11.57)	-	(25.36)	(36.93)
Accumulated depreciation and impairment losses as at 31st March, 2023	1.06	64.10	3.52	25.05	93.73
Net carrying amount as at 31st March, 2023	6.55	36.02	-	48.33	90.90
At cost as an 1st April, 2023	7.61	100.12	3.52	73.38	184.63
Additions during the year	-	144.98	-	16.48	161.46
Disposals during the year	-	(86.98)	-	(3.03)	(90.01)
At cost as on 31st March, 2024	7.61	158.12	3.52	86.83	256.08
Accumulated depreciation and impairment losses as at 1st April, 2023	1.06	64.10	3.52	25.05	93.73
Depreciation for the year	0.18	31.21	-	25.88	57.27
Disposals during the year	-	(86.98)	-	(3.03)	(90.01)
Accumulated depreciation and impairment losses as at 31st March, 2024	1.24	8.33	3.52	47.90	60.99
Net carrying amount as at 31st March, 2024	6.37	149.79	-	38.93	195.09

*Mortgaged in favour of the Debenture Trustee by way of a first and pari passu charge for Non-Convertible Debentures, Deep Discount Debentures and Market Linked Debentures.

Impairment loss and reversal of impairment loss

There is no impairment loss on property, plant and equipment recognised/reversed during the year.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 9 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	As at 31 st March, 2023
Intangible assets under development (CIP software)	-	14.93
Total	-	14.93

INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As on 31st March, 2024

(₹ in lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As on 31st March, 2023

(₹ in lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	11.68	3.25	-	-	14.93
Projects temporarily suspended	-	-	-	-	-
Total	11.68	3.25	-	-	14.93

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 10 INTANGIBLE ASSETS

Particulars	(₹ in lakh)
Balance as at 1st April, 2022	521.80
Additions during the year	-
Disposals during the year	-
Balance as on 31st March, 2023	521.80
Accumulated amortisation and impairment losses as at 1st April, 2022	329.13
Depreciation for the year	160.38
Disposals during the year	-
Balance as on 31st March, 2023	489.51
Net carrying amount as at 31st March, 2023	32.29
Balance as at 1st April, 2023	521.80
Additions during the year	30.72
Disposals during the year	-
Balance as on 31st March, 2024	552.52
Accumulated amortisation and impairment losses as at 1st April, 2023	489.51
Depreciation for the year	39.98
Disposals during the year	-
Balance as on 31st March, 2024	529.49
Net carrying amount as at 31st March, 2024	23.03

Impairment loss and reversal of impairment loss

There is no impairment loss on intangible assets recognised/reversed during the year.

NOTE 11 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Prepaid expenses	0.30	2.79
Prepayment to suppliers	133.13	60.30
GST/Service tax input	83.67	38.54
Advanced salary paid	-	0.16
Total	217.10	101.79

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. The Company has elected not to apply hedge accounting requirements.

The Company also has embedded option liability in the form of embedded derivative in Market linked debentures. Company had entered into the Interest rate swap agreements whereby the Company receives fixed rate interest and pays variable rate interest.

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	(₹ in lakh)	
	Notional Amounts	Fair Value- Liabilities
As on 31st March, 2024		
Part I		
Interest rate swaps	35,000.00	86.11
Embedded option on Market linked debentures	-	6,240.40
Total derivative financial instruments	35,000.00	6,326.51
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
- Undesignated derivatives	-	6,326.51
Total derivative financial instruments	-	6,326.51
As on 31st March, 2023		
Part I		
Interest rate swaps	35,000.00	94.93
Embedded option on Market linked debentures	-	5,796.43
Total derivative financial instruments	35,000.00	5,891.36
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
- Undesignated derivatives	-	5,891.36
Total derivative financial instruments	-	5,891.36

NOTE 13 PAYABLES

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(A) 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	534.63	380.84
Total (A)	534.63	380.84
(B) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	679.61	1,354.86
Total (B)	679.61	1,354.86
Total	1,214.24	1,735.70

There is no amount due for payment to the Investor Education and Protection Fund under section 125 of Companies Act, 2013.



Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-

TRADE PAYABLE AGEING SCHEDULE:

As on 31st March, 2024

(₹ in lakh)

Particulars	31 st March, 2024						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-	-	-
(ii) Others - Undisputed	386.35	-	147.32	0.96	-	-	534.63
Total	386.35	-	147.32	0.96	-	-	534.63

As on 31st March, 2023

(₹ in lakh)

Particulars	31 st March, 2023						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-	-	-
(ii) Others - Undisputed	276.17	-	96.28	8.39	-	-	380.84
Total	276.17	-	96.28	8.39	-	-	380.84

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 14 DEBT SECURITIES

(₹ in lakh)

Particulars	At Amortised cost	At Fair Value through Profit Loss	Designated at Fair Value through Profit Loss	Total
	(1)	(2)	(3)	(4=1+2+3)
As at 31st March, 2024				
Debentures				
Secured				
-Redeemable Non-Convertible Debentures, fully paid, privately placed	549,902.92	-	-	549,902.92
-Deep Discount, Non-Convertible Debentures,	168,111.10	-	-	168,111.10
-Market Linked Debentures, fully paid, privately placed	41,565.02	-	-	41,565.02
Total	759,579.04	-	-	759,579.04
Debt securities in India	759,579.04	-	-	759,579.04
Debt securities outside India	-	-	-	-
Total	759,579.04	-	-	759,579.04
As at 31st March, 2023				
Debentures				
Secured				
-Redeemable Non-Convertible Debentures, fully paid, privately placed	179,677.62	-	-	179,677.62
-Deep Discount, Non-Convertible Debentures,	272,330.91	-	-	272,330.91
-Market Linked Debentures, fully paid, privately placed	38,659.72	-	-	38,659.72
Total	490,668.25	-	-	490,668.25
Debt securities in India	490,668.25	-	-	490,668.25
Debt securities outside India	-	-	-	-
Total	490,668.25	-	-	490,668.25

*There are no debt securities which are measured at fair value through profit and loss or designated at fair value through profit and loss.

Debentures are redeemable at par/premium. The Non-Convertible Debentures and Deep Discount Debentures are secured by way of a first and pari passu mortgage in favour of the Debenture Trustee on the Company's immovable property of ₹ 10.26 lakh (gross value) and further secured by way of hypothecation / mortgage of charged assets such as receivables arising out of loan, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares and government securities).



Notes

to the financial statements for the year ended 31st March, 2024

INTEREST AND REPAYMENT TERMS OF DEBT SECURITIES-

(₹ in lakh)

Residual Maturity	As at 31 st March, 2024			As at 31 st March, 2023		
	Interest Rate Range%	Balance Outstanding	Face/Redemption Value	Interest Rate Range%	Balance Outstanding	Face/Redemption Value
A) Debentures						
Repayable at maturity						
Aug-27	8.37%	45,700.52	45,600.00	-	-	-
Jun-27	8.38%	50,121.68	50,000.00	-	-	-
May-27	8.24%	8,163.85	8,000.00	-	-	-
Jan-27	8.19%	64,261.77	62,500.00	-	-	-
Nov-26	8.22%	30,817.25	30,000.00	-	-	-
Oct-26	8.04%	54,900.88	53,000.00	-	-	-
Aug-26	8.11%	21,545.91	20,000.00	-	-	-
Jun-26	8.14%	21,513.63	21,350.00	8.14%	11,422.58	11,350.00
Apr-26	7.99%	27,708.91	27,500.00	7.99%	27,642.47	27,500.00
Feb-26	8.16%	27,822.47	27,600.00	8.16%	27,817.98	27,600.00
Dec-25	8.21%	21,727.74	21,000.00	-	-	-
Nov-25	8.00%	25,791.84	25,000.00	8.00%	5,686.71	5,500.00
Sep-25	8.04%	20,805.31	20,000.00	-	-	-
Jul-25	8.11%	43,103.62	40,000.00	-	-	-
May-25	7.97%	24,467.67	23,500.00	-	-	-
Dec-24	5.90%	10,195.40	10,000.00	5.90%	10,194.14	10,000.00
Nov-24	5.85%	20,428.67	20,000.00	5.85%	20,426.23	20,000.00
Sep-24	5.50%	30,825.80	30,000.00	5.50%	30,822.31	30,000.00
Feb-24	-	-	-	5.50%	40,601.99	40,000.00
Jun-23	-	-	-	5.00%	5,063.19	5,000.00
Total (A)		549,902.92	535,050.00		179,677.62	176,950.00
B) Deep Discount Debentures						
Repayable at maturity						
May-26	7.99% to 8.74%	29,752.50	28,259.05	7.99%	12,413.54	15,803.54
Jan-26	7.95% to 8.00%	42,374.08	48,770.00	7.95% to 8.00%	39,232.80	48,770.00
Oct-25	8.01% to 8.25%	29,553.78	33,380.00	8.01%	15,078.85	18,380.00
Feb-25	7.92% to 8.17%	13,979.78	15,000.00	7.92%	8,639.95	10,000.00
Jan-25	6.00%	7,151.46	7,500.00	6.00%	6,745.47	7,500.00
Oct-24	8.31% to 8.57%	31,122.60	32,500.00	8.31% to 8.57%	28,716.68	32,500.00
Apr-24	7.84% to 7.85%	14,176.90	14,260.00	7.84% to 7.85%	13,134.20	14,260.00
Mar-24	-	-	-	5.65%	5,358.49	5,657.96
Jan-24	-	-	-	5.30%	33,525.89	35,000.00
Dec-23	-	-	-	5.45%	38,486.33	39,900.00
Nov-23	-	-	-	5.35%	19,356.30	20,000.00
Oct-23	-	-	-	5.25%	26,735.60	27,500.00
Apr-23	-	-	-	5.38%	24,906.81	25,000.00
Total (B)		168,111.10	186,564.82		272,330.91	300,271.50
C) Secured - Market Linked Debentures						
Repayable at maturity						
Jan-25	7.70%	19,694.97	20,900.00	7.70%	18,272.81	20,900.00
Aug-24	7.20%	21,870.05	22,500.00	7.20%	20,386.91	22,500.00
Total (C)		41,565.02	43,400.00		38,659.72	43,400.00
Total (A+B+C)		759,579.04	765,014.82		490,668.25	520,621.50

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 15 BORROWINGS OTHER THAN DEBT SECURITIES*

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At Amortised Cost		
(a) Term loans		
Overdraft facility from banks	72,302.70	114,262.23
Commercial paper	75,630.91	144,781.74
Inter corporate deposits	12,895.34	26,096.76
Term loans from banks	198,541.40	132,155.56
Total (A)	359,370.35	417,296.29
Borrowings in India	359,370.35	417,296.29
Borrowings outside India	-	-
Total (B)	359,370.35	417,296.29
Secured	270,844.10	246,417.79
Unsecured	88,526.25	170,878.50
Total (C)	359,370.35	417,296.29

*There are no borrowings other than debt securities which are measured at fair value through profit and loss or designated at fair value through profit and loss.

The Company has obtained various borrowings from banks/FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/FI are in agreement with the books.

Overdraft facilities and Term Loan are secured by way of First, pari pasu, non exclusive charge on receivables, book debts, current assets and investments of company in favour of the Trustees. Commercial Paper and Inter Corporate Deposits are unsecured. The term loans and overdraft facilities are secured by way of First, pari- pasu, non exclusive charge by way of hypothecation on receivables, other book debts, other current assets and other long term and current investments of company in favour of the Trustees. Commercial Paper and Inter Corporate Deposits are unsecured.

Interest and repayment terms of borrowings

(₹ in lakh)

Residual Maturity	As at 31 st March, 2024			As at 31 st March, 2023		
	Interest Rate Range%	Balance Outstanding	Face Value (₹)	Interest Rate Range%	Balance Outstanding	Face Value (₹)
A. Cash credit and Working capital demand loan						
Repayable on demand						
0-1 year	7.40% to 8.60%	72,302.70	72,000.00	7.15% to 8.70%	114,262.23	113,900.00
Total (A)		72,302.70	72,000.00		114,262.23	113,900.00
B. Commercial paper						
Repayable at maturity						
Aug-24	7.87%	13,105.06	13,500.00	-	-	-
Jul-24	7.71% to 7.87%	29,314.14	30,000.00	-	-	-
Jun-24	7.78%	12,310.23	12,500.00	-	-	-
May-24	7.78%	8,419.71	8,500.00	-	-	-
Apr-24	7.90%	12,481.77	12,500.00	-	-	-
Mar-24	-	-	-	8.00%	20,901.81	22,500.00



Notes

to the financial statements for the year ended 31st March, 2024

Residual Maturity	As at 31 st March, 2024			As at 31 st March, 2023		
	Interest Rate Range%	Balance Outstanding	Face Value (₹)	Interest Rate Range%	Balance Outstanding	Face Value (₹)
Feb-24	-	-	-	8.07%	8,595.20	9,200.00
Dec-23	-	-	-	7.91%	2,370.73	2,500.00
Nov-23	-	-	-	7.87%	12,859.05	13,500.00
Sep-23	-	-	-	7.69%	3,855.56	4,000.00
Aug-23	-	-	-	7.69%	7,304.50	7,500.00
Jul-23	-	-	-	7.69% to 7.81%	12,228.25	12,500.00
Jun-23	-	-	-	6.80% to 7.71%	41,832.01	42,500.00
May-23	-	-	-	7.30%	24,838.69	25,000.00
Apr-23	-	-	-	7.51%	9,995.94	10,000.00
Total (B)		75,630.91	77,000.00		144,781.74	149,200.00
C. Intercorporate deposits						
Repayable at maturity						
Aug-25	8.30%	504.72	500.00	-	-	-
May-25	8.15%	1,025.24	1,000.00	-	-	-
Mar-25	6.41% to 8.35%	4,507.71	4,500.00	6.41% to 8.35%	4,507.15	4,500.00
Jul-24	7.42% to 7.85%	5,784.31	5,500.00	7.42%	3,158.89	3,000.00
Apr-24	8.15%	1,073.36	1,000.00	8.15%	1,000.19	1,000.00
Feb-24	-	-	-	8.15%	5,035.74	5,000.00
Dec-23	-	-	-	5.65%	1,622.27	1,600.00
Oct-23	-	-	-	7.45%	1,031.85	1,000.00
Sep-23	-	-	-	7.00%	1,034.11	1,000.00
Aug-23	-	-	-	7.00%	2,594.38	2,500.00
Jul-23	-	-	-	7.40%	3,611.84	3,500.00
Jun-23	-	-	-	6.60%	2,098.02	2,000.00
Apr-23	-	-	-	5.15%	402.32	400.00
Total (C)		12,895.34	12,500.00		26,096.76	25,500.00
D. Term loans from banks						
Repayable on quarterly basis						
Aug-27	8.39%	13,223.77	13,125.00	-	-	-
Jul-27	8.27%	6,608.60	6,562.50	-	-	-
Mar-27	8.20%	30,103.61	30,000.00	-	-	-
Feb-27	8.03% to 8.20%	16,999.68	16,875.00	8.25%	22,514.08	22,500.00
Nov-26	8.03% to 8.20%	22,163.77	22,000.00	8.25%	30,024.22	30,000.00
Sep-26	8.15% to 8.23%	26,177.43	26,000.00	-	-	-
Jul-26	8.23%	36,242.43	36,000.00	-	-	-
Nov-25	8.44%	11,749.29	11,666.67	8.09%	18,454.80	18,333.33
Sep-25	7.90% to 8.13%	27,208.20	26,999.61	7.88% to 8.18%	45,175.81	45,000.00
Mar-25	8.35%	8,064.62	7,998.00	8.33%	15,986.65	16,000.00
Total (D)		198,541.40	197,226.78		132,155.56	131,833.33
Total (A+B+C+D)		369,370.35	358,726.78		417,296.29	420,433.33

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 16 SUBORDINATED LIABILITIES*

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At Amortised Cost		
Redeemable Non-Convertible Subordinated Debt Bonds in form of Debentures, fully paid, privately placed, Unsecured	20,238.84	20,231.85
Total (A)	20,238.84	20,231.85
Subordinated liabilities in India	20,238.84	20,231.85
Subordinated liabilities outside India	-	-
Total (B)	20,238.84	20,231.85

*There are no subordinated liabilities which are measured at fair value through profit and loss or designated at fair value through profit and loss.

INTEREST AND REPAYMENT TERMS OF SUBORDINATED LIABILITIES-

(₹ in lakh)

Residual Maturity	As at 31 st March, 2024			As at 31 st March, 2023		
	Interest Rate Range%	Balance Outstanding	Face/Redemption Value	Interest Rate Range%	Balance Outstanding	Face/Redemption Value
Repayable at maturity						
Mar-27	8.55%	10,019.27	10,000.00	8.55%	10,017.38	10,000.00
Dec-26	8.35%	5,110.34	5,000.00	8.35%	5,108.34	5,000.00
Dec-25	9.00%	5,109.23	5,000.00	9.00%	5,106.13	5,000.00
Total		20,238.84	20,000.00		20,231.85	20,000.00

NOTE 17 OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Interest accrued on derivative instruments	26.91	9.26
Employee benefits accrued	81.60	61.29
Total	108.51	70.55



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 18 PROVISIONS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Gratuity (refer note 38)	302.64	308.34
Compensated absences	30.71	30.03
Stock appreciation rights (SARs) (refer note 39)	173.09	138.60
Long service award	4.18	4.23
Provision for annual incentives	650.00	450.00
Total	1,160.62	931.20

NOTE 19 OTHER NON-FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Income received in advance	163.89	161.90
Statutory dues payable	638.02	436.16
Total	801.91	598.06

NOTE 20 EQUITY SHARE CAPITAL

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Authorised		
58,000,000 (31 st March, 2023: 58,000,000) equity shares of ₹ 10 each with voting rights	5,800.00	5,800.00
1,200 (31 st March, 2023: 1,200) Non-cumulative redeemable preference shares of ₹ 1,00,000 each	1,200.00	1,200.00
Issued, subscribed and paid up		
5,622,578 (31 st March, 2023: 5,622,578) equity shares of ₹ 10 each fully paid up with voting rights	562.26	562.26

A. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR :

Particulars	No. of shares	(₹ in lakh)	
		Amount	
As at 1st April, 2022		5,622,578	562.26
Add/(less) : Movement during the year		-	-
As at 31st March, 2023	5,622,578	562.26	
Add/(less) : Movement during the year		-	-
As at 31st March, 2024	5,622,578	562.26	

Notes

to the financial statements for the year ended 31st March, 2024

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

- (i) The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (iii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

C. DETAILS OF SHARES HELD BY HOLDING COMPANY AND ITS SUBSIDIARIES

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited, the holding company and its nominees*	5,622,578	100%	5,622,578	100%
	5,622,578	100%	5,622,578	100%

*Promoters as per Companies Act, 2013

D. DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited, the holding company and its nominees*	5,622,578	100%	5,622,578	100%
	5,622,578	100%	5,622,578	100%

*Promoters as per Companies Act, 2013

E. DETAILS OF SHARES HELD BY THE PROMOTERS:

As at 31st March, 2024

Promoter name	Class of shares	At the end of year		At beginning of year		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Kotak Mahindra Bank Limited	Equity shares with voting rights	5,622,578	100%	5,622,578	100%	-

As at 31st March, 2023

Promoter name	Class of shares	At the end of year		At beginning of year		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Kotak Mahindra Bank Limited	Equity shares with voting rights	5,622,578	100%	5,622,578	100%	-



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 21 OTHER EQUITY

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Capital redemption reserve	1,003.85	1,003.85
Securities premium	33,545.76	33,545.76
General reserve	431.10	431.10
Special reserve	59,075.77	49,575.77
Retained earnings	232,760.16	194,756.83
Capital contribution from parent	574.51	572.61
Financial instruments through OCI	52.46	(786.98)
Total	327,443.61	279,098.94

NOTE 21.1 NATURE AND PURPOSE OF RESERVE

Capital redemption reserve

Capital redemption reserve is created on redemption of preference share capital. Capital redemption reserve includes transfer from General reserve on redemption of preference share capital.

Securities premium

The securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Special reserve

Special reserve represents appropriation of retained earning as per Section 45 IC of the Reserve Bank of India Act, 1934.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Capital contribution from parent

Capital contribution from parent represents fair value of the employee stock option plan. These option are issued by parent company "Kotak Mahindra Bank Limited" to the employee of the Company.

Financial instruments through OCI

The Company recognises changes in the fair value of financial instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI investments reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 21.2 OTHER EQUITY MOVEMENT

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) Capital redemption reserve		
Opening balance	1,003.85	1,003.85
Addition/deletion during the year	-	-
Closing balance	1,003.85	1,003.85
(ii) Securities premium		
Opening balance	33,545.76	33,545.76
Addition/deletion during the year	-	-
Closing balance	33,545.76	33,545.76
(iii) General reserve		
Opening balance	431.10	431.10
Addition/deletion during the year	-	-
Closing balance	431.10	431.10
(iv) Special reserve		
Opening balance	49,575.77	42,770.77
Transfer from retained earnings	9,500.00	6,805.00
Closing balance	59,075.77	49,575.77
(v) Retained earnings *		
Opening balance	194,756.83	167,549.90
Net profit for the year	47,496.21	34,001.45
Less : Other comprehensive income for the year		
Remeasurement gain/(loss) on defined benefit plans, net of taxes	7.12	10.48
Less : transferred to special reserve under Section 45IC of Reserve Bank of India Act, 1934	(9,500.00)	(6,805.00)
Closing balance	232,760.16	194,756.83
(vi) Capital contribution from parent		
Opening balance	572.61	565.13
Addition/deletion during the year	1.90	7.48
Closing balance	574.51	572.61
(vii) Financial instruments through OCI		
Opening balance	(786.98)	(190.80)
Addition/deletion during the year	839.44	(596.18)
Closing balance	52.46	(786.98)

* Includes remeasurement gain/(loss) on employee benefit plans recognised in other comprehensive income

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	(80.24)	(90.72)
Remeasurement gain/(loss) for the year	9.51	14.00
Income tax relating to above	(2.39)	(3.52)
Closing balance	(73.12)	(80.24)



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 22 INTEREST INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024				For the year ended 31 st March, 2023			
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total interest income	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total interest income
Interest on loans	-	121,199.98	-	121,199.98	-	77,498.17	-	77,498.17
Interest income from investments	9,084.96	4,069.81	330.86	13,485.63	7,258.71	2,389.69	970.27	10,618.67
Interest on deposits with banks	-	1,129.42	-	1,129.42	-	476.35	-	476.35
Others	-	62.83	-	62.83	-	-	-	-
Total	9,084.96	126,442.04	330.86	135,877.86	7,258.71	80,364.21	970.27	88,593.19

NOTE 23 DIVIDEND INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Dividend income on investments	79.83	177.01
Total	79.83	177.01

NOTE 24 FEE AND COMMISSION INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Advisory fee	54.75	-
Total	54.75	-

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 25 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE *

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
(A) Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Mutual funds	2,193.31	1,823.98
- Equity shares	2,947.70	322.33
Others		
- Equity shares	155.47	(209.52)
- Venture fund	299.99	(521.50)
- Debt securities	(21.98)	(162.68)
(B) Others		
- Derivatives	(435.16)	(206.89)
Net gain/(loss) on fair value changes	5,139.33	1,045.72
Fair value changes:		
- Realised	5,083.77	2,535.11
- Unrealised/movement from unrealised to realised	55.56	(1,489.39)
Net gain/(loss) on fair value changes	5,139.33	1,045.72

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

NOTE 26 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on sale of property, plant and equipment	18.39	4.28
Others	391.10	414.04
Total	409.49	418.32

NOTE 27 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost		
(i) Interest on borrowings (other than debt securities)		
- on overdraft facility and term loans from banks	14,755.89	6,032.29
- discount on commercial papers	10,137.65	7,921.58
- on inter corporate deposits	1,625.89	1,850.84
(ii) Interest on debt securities		
- on redeemable non-convertible debentures & deep discount debentures	38,750.37	20,594.33
- on market linked debentures	2,905.30	944.19
(iii) Interest on subordinated liabilities	1,728.26	1,722.57
(iv) Other borrowing costs	297.31	238.88
Total	70,200.67	39,304.68



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial instruments measured at amortised cost		
- Loans and other financial assets	432.96	(1,307.18)
- Investments	(38.34)	(106.00)
Total	394.62	(1,413.18)

NOTE 29 EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	4,014.63	3,457.20
Contribution to provident and other funds	180.73	158.86
Stock appreciation rights (refer note 39)	137.96	133.02
Share based payment expenses (refer note 39)	37.87	35.49
Staff welfare expenses	35.80	43.40
Total	4,406.99	3,827.97

NOTE 30 OTHER EXPENSES

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Rent and electricity expenses	568.68	522.35
Repairs and maintenance	218.03	197.99
Communication costs	26.48	25.65
Printing and stationery	12.83	14.64
Royalty expenses	226.16	222.87
Director's fees, allowances and expenses (refer note 36)	164.70	56.80
Auditors' remuneration (refer note 34)	35.80	33.00
Legal and professional charges	205.23	264.06
Insurance	1.04	2.98
Rates, taxes and fees	235.14	234.39
Travelling and conveyance	129.69	149.57
Common establishment expenses	563.42	535.50
Demat account charges	-	-
Contribution to corporate social responsibility activities (refer note 35)*	875.78	843.48
Miscellaneous expenses	153.33	135.02
Total	3,416.31	3,238.30

* Includes CSR administration expenses of ₹ 13.63 lakh (Previous Year: ₹ 14.48 lakh)

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 31 TAX EXPENSE AND RELATED BALANCES

(A) AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax expense		
In respect of current year	17,508.93	11,564.08
In respect of prior years	197.99	47.30
Total current tax expense (A)	17,706.92	11,611.38
Deferred tax expense	(1,352.24)	99.83
Deferred tax expense (B)	(1,352.24)	99.83
Total tax expense for the year (A) + (B)	16,354.68	11,711.21

(B) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024			For the year ended 31 st March, 2023		
	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)	9.51	(2.39)	7.12	14.00	(3.52)	10.48
Items that will be reclassified to profit or loss						
Financial instruments through other comprehensive income	1,121.77	(282.33)	839.44	(796.69)	200.51	(596.18)
Total	1,131.28	(284.72)	846.56	(782.69)	196.99	(585.70)

(C) RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	Amount	%age	Amount	%age
Profit before tax as per Statement of profit and loss	63,850.89		45,712.66	
Tax using the Company's domestic tax rate	16,069.99	25.17%	11,504.96	25.17%
Tax effect of:				
Non-deductible expenses under Income tax	270.05	0.42%	233.69	0.51%
Difference in tax rate on account of capital gains	(9.83)	(0.02%)	(44.64)	(0.10%)
Adjustments relating to tax of prior years	197.99	0.31%	47.30	0.10%
Others	(173.53)	(0.27%)	(30.10)	(0.07%)
Total tax expense	16,354.68	25.61%	11,711.21	25.61%



Notes

to the financial statements for the year ended 31st March, 2024

(D) MOVEMENT IN DEFERRED TAX BALANCES

Particulars	As at 31 st March, 2024					
	Net Balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset (net)
Tax effect of items constituting deferred tax asset/ (liabilities)						
Property, plant and equipment	55.94	(8.75)	-	(0.34)	(9.09)	46.85
Loans and borrowings	1,907.82	1,202.46	-	-	1,202.46	3,110.28
Equity-settled share-based payments	34.88	8.68	-	-	8.68	43.56
Employee benefits	94.42	2.25	(2.39)	-	(0.14)	94.28
Financial instruments at fair value through OCI	266.79	-	(282.33)	-	(282.33)	(15.54)
Financial instruments at fair value through profit or loss	(123.80)	147.60	-	-	147.60	23.80
Others	10.74	-	-	-	-	10.74
Total	2,246.79	1,352.24	(284.72)	(0.34)	1,067.18	3,313.97

Particulars	As at 31 st March, 2023					
	Net Balance 31 st March, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset (net)
Tax effect of items constituting deferred tax asset/ (liabilities)						
Property, plant and equipment	38.48	17.46	-	-	17.46	55.94
Loans and borrowings	2,123.05	(215.23)	-	-	(215.23)	1,907.82
Equity-settled share-based payments	41.14	(6.26)	-	-	(6.26)	34.88
Employee benefits	113.56	(15.62)	(3.52)	-	(19.14)	94.42
Financial instruments at fair value through OCI	66.28	-	200.51	-	200.51	266.79
Financial instruments at fair value through profit or loss	(243.63)	119.83	-	-	119.83	(123.80)
Others	10.74	-	-	-	-	10.74
Total	2,149.62	(99.83)	196.99	-	97.17	2,246.79

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 taxable income and the period over which deferred income tax assets will be recovered.

(E) CURRENT TAX ASSETS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current Tax Assets (Net)		
Net of provision for tax ₹ 21,021.67 lakh (Previous year: ₹ 21,800.73 lakh)	253.03	766.78
Current Tax Liabilities (Net)		
Net of advance/self assessment tax of ₹ 85,991.21 lakh (Previous year: ₹ 67,793.09 lakh)	2,986.85	2,699.32

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 32 EARNINGS PER EQUITY SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net Profit attributable to equity holders of the Company (₹ Lakh)	47,496.21	34,001.45
Weighted average number of equity shares for basic and diluted EPS	5,622,578	5,622,578
Face value per share (₹)	10	10
Basic & Diluted earnings per share (₹)	844.74	604.73

NOTE 33 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
a)	Contingent liabilities:		
	Claims not acknowledged as debts	419.84	282.68
b)	Capital Commitments	18,832.40	1,725.00
	Total	19,252.24	2,007.68

NOTE 34 AUDITORS' REMUNERATION(EXCLUSIVE OF TAXES)

(₹ in lakh)

S No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
	Payment to the auditors as:		
a)	Auditors	32.10	30.30
b)	For other services	2.90	2.70
c)	For reimbursement of expenses	0.80	-
	Total	35.80	33.00



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 35 CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR project aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. CSR project undertaken in FY2023-24 are in the area of education and livelihood.

As per the provisions of the Section 135 of the Companies Act, 2013, prescribed 2% CSR Expenditure requirement for FY 2023-24 ₹ 870.88 lakh (Previous year: ₹ 826.26 lakh). After adjusting for excess spend of previous years, the CSR obligation for FY2023-24 is ₹ 852.87 lakh.

(₹ in lakh)

S No.	Details of CSR Expenditure	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a)	Amount of CSR spend	640.63*	371.40*
b)	Accrual towards unspent obligations in relation to:		
(i)	Ongoing project	235.15	472.08
(ii)	Other than ongoing project	-	-
	Total	875.78	843.48
c)	Amount required to be spent as per Section 135 of the Act	870.88	826.26
d)	Amount approved by the Board to be spent during the year	875.78	829.00
e)	Amount of cumulative unspent at the end of the year	262.62**	746.92**
	Amount spent during the year on		
(i)	Construction / acquisition of any asset	89.66	4.09#
(ii)	On purposes other than (i) above	550.96	367.31

* Includes Administrative expenses incurred of ₹ 13.63 lakh (previous year: ₹ 14.48 lakh).

** Includes ₹ 1.8 lakh (previous year: ₹ 6.71 lakh) of unutilised CSR payment which was refunded by implementing organisation in April.

Does not include amount spent on creation/acquisition of capital assets out of Unspent CSR accounts of previous financial years and also assets which are under Capital Work in progress (WIP)

DETAILS OF ONGOING CSR PROJECTS UNDER SECTION 135(6) OF THE ACT:

(₹ in lakh)

FY	Balance as at 1 st April, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March, 2024	
	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
FY 23-24	-	-	862.15	627.00	-	235.15*	-
FY 22-23	472.08#	-	-	-	444.61	-	27.47
FY 21-22	-	148.58	-	-	148.58	-	-
FY 20-21	-	126.26	-	-	126.26	-	-

*Includes ₹ 1.8 lakh of unutilised CSR payment which was refunded by implementing organisation in April 2024.

* The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2023-24 in April 2024.

The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY 2022-23 in April 2023.

Amounts are that of project related allocations and expenditures only, and are net of admin expenses.

DETAILS OF CSR EXPENDITURE UNDER SECTION 135(5) OF THE ACT IN RESPECT OF OTHER THAN ONGOING PROJECTS

(₹ in lakh)

S No.	Balance unspent as at 1 st April, 2023	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, 2024
a)	-	-	-	-	-

Notes

to the financial statements for the year ended 31st March, 2024

DETAILS OF EXCESS CSR EXPENDITURE UNDER SECTION 135(5) OF THE ACT

(₹ in lakh)

S No.	Balance excess spent as at 1 st April, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 st March, 2024
a)	18.01	870.88	875.78*	22.91

*Includes unspent/ unutilised CSR amount transferred to Kotak Mahindra Investment Limited Unspent CSR Account FY 2023-24

DETAILS PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

(₹ in lakh)

S No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a)	Corporate Social Responsibility expenses for the period -Note 30: Other Expenses: Contribution on Corporate Social Responsibility activities	875.78	843.48
b)	Gross amount required to be spent by the company during the year.	875.78	829.00
c)	Amount spent during the year on: (i) Construction / acquisition of any asset (ii) On purposes other than (i) above	89.66 550.96	4.09 367.31
d)	Details of related party transactions CSR Administrative Expenses (Reimbursed to Parent Company)	13.63	14.48
e)	Provision for CSR Expenses Opening Balance Add: Provision created during the period Less: Provision utilised during the period Closing Balance	746.92 235.15 (719.45) 262.62*	683.78 472.08 (408.94) 746.92*
f)	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
g)	The total of previous years' shortfall amounts	-	-
h)	The reason for above shortfalls by way of a note	-	-
i)	The nature of CSR activities undertaken by the Company	The CSR activities are undertaken in various focus areas viz. Healthcare, Education, Livelihood enhancement and Relief & Rehabilitation (COVID-19) in terms of Company's CSR policy	The CSR activities are undertaken in various focus areas viz. Healthcare, Education, Livelihood enhancement and Relief & Rehabilitation (COVID-19) in terms of Company's CSR policy

* Includes ₹ 1.8 lakh (previous year: ₹ 6.71 lakh) of unutilised CSR payment which was refunded by implementing organisation in April.



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 36 RELATED PARTY DISCLOSURE

RELATED PARTY DISCLOSURES, AS REQUIRED BY NOTIFIED IND AS 24 - 'RELATED PARTY DISCLOSURES' ARE GIVEN BELOW:

A. Names of Related Parties

S No.	Particulars	Country of Incorporation	Proportion of ownership interest
(a) Holding company:			
	Kotak Mahindra Bank Limited	India	100.00%
(b) Fellow subsidiary:			
	Kotak Securities Limited	India	
	Kotak Mahindra Capital Company Limited	India	
	Kotak Alternate Asset Managers limited (formerly known as Kotak Investment Advisors Limited)	India	
	Kotak Mahindra General Insurance Company Limited	India	
	Kotak Mahindra Life Insurance Company Limited	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Infrastructure Debt fund Limited	India	
	Kotak Mahindra Asset Management Company Limited	India	
	Kotak Mahindra Trusteeship Services Limited	India	
	Kotak Mahindra (UK) Limited	UK	
	Kotak Mahindra (International) Limited	Mauritius	
	Kotak Mahindra Asset Management (Singapore) Pte Limited	Singapore	
	Kotak Mahindra Inc	USA	
	Kotak Mahindra Financial Services Limited	U.A.E.	
	Kotak Mahindra Trustee Company Limited	India	
	Kotak Mahindra Pension Fund Limited	India	
	BSS Microfinance Limited	India	
	IVY Product Intermediaries Limited	India	
	Kotak Karma Foundation (w.e.f. 26 th June 2023)	India	
	Sonata Finance Private Limited (w.e.f. 28 th March 2024)	India	
(c) Associate Company/Others			
	Phoenix ARC Private Limited (Associate)	India	
	Infina Finance Private Limited (Others)	India	
(d) Entities over which relative of director has significant influence			
	Aero Agencies Limited	India	
	Kotak Commodity Services Private Limited	India	
	Business Standard Private Limited	India	
(e) Key Management Personnel			
	Mr. Uday Kotak		
	Mr. Amit Bagri		
	Mr. Paritosh Kashyap		
	Mr. Phani Shankar		
	Mr. Paresh Parasnis		
	Mr. Prakash Apte		
	Mr. Baswa Ashok Rao (w.e.f. 22 nd March 2024)		
	Ms. Padmini Khare Kaicker *		
	Mr. Chandrashekhar Sathe *		

* Categorised as Key Management Personnel as per definition of Ind AS 24, however directors continue to be Independent Director as defined in section 149 (6) of the Companies Act, 2013.

Notes

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B. Transactions with related parties

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

Transactions with key management personnel

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

(a) Key management personnel compensation*

S No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
i.	Short-term employee benefits	289.12	265.21
ii.	Post-employment defined benefit	10.77	9.80
iii.	Shared-based payments (ESOPs/SARs)**	71.80	69.18
iv.	Sitting fees and commission	164.70	56.80

* The above figures do not include provisions for encashable leave and gratuity, as separate actuarial valuation are not available.

** SARs considered based on actual payout during the year.

(b) Transactions with other related parties

The Note above provides the information about the Company's structure including the details of the subsidiaries and the holding company. 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 lakh)	
	31 st March, 2024	31 st March, 2023
I Holding Company		
- Kotak Mahindra Bank Limited		
a) Transactions during the year :		
Finance		
Fixed deposits placed	1,180,857.41	572,050.00
Fixed deposits repaid	1,180,854.31	572,050.00
Borrowings availed	17,500.25	49,400.00
Borrowings repaid	34,500.00	24,900.00
Income		
Interest income on fixed deposits	1,082.51	474.87
Service charges income	132.00	105.36
Referral fees income	74.38	-
Expenses		
Demat charges	0.18	0.28
Expense reimbursements	208.40	217.21
Shared service cost	484.62	444.12
Bank charges	1.24	1.19
Brokerage	3.18	-
Royalty	226.16	222.87
Interest on borrowings	2,087.33	1,724.92
Licence fee	538.06	504.32
Referral fees expense	4.59	13.21
IPA fee	2.00	2.00
ESOP expense (refer note 39)	37.87	35.49
Shared services F & F rent	45.54	35.46
Asset & Liability transfer		
Employee Liability transfer out	44.62	150.58



Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

	31 st March, 2024	31 st March, 2023
Employee Liability transfer in	51.02	43.44
Asset transferred in	14.58	3.04
Asset transferred out	1.98	9.36
b) Balance outstanding as at the year end :		
Finance		
Equity shares	562.26	562.26
Share premium	33,240.37	33,240.37
Current and Savings account balances ('CASA')	67,819.52	32,618.93
Capital contribution from Parent	572.51	572.61
Term Deposits Placed	49.88	47.10
Borrowings	30,516.47	50,167.81
Other Receipts & Payments		
Service charges payable	147.34	55.11
Service charges & Referral fees receivable	95.41	28.43
Fees payable / Charges payable / Other payables	1.07	2.20
Interest Accrued Payable on CIRS IRS FCIRS FRA	8.90	4.35

* During the year, ₹ 1.9 lakh (March 31, 2023: ₹ 7.48 lakh) was charged to the Company's statement of profit or loss in respect of equity-settled share-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent

(b) Transaction with other related parties

(₹ in lakh)

	31 st March, 2024	31 st March, 2023
II Fellow Subsidiaries		
a) Transactions during the year :		
Finance		
Interest on Non Convertible Debentures/Inter Corporate Deposits		
-Kotak Securities Limited	1,556.92	1,555.50
-BSS Microfinance Limited	614.18	41.35
Income and Expense		
Service charges income		
-Kotak Mahindra Prime Limited	66.00	128.40
-Kotak Infrastructure debt fund	35.40	20.05
Referral fee income		
- Kotak Mahindra Capital Company Limited	54.75	-
Service charges expense		
-Kotak Infrastructure Debt Fund Limited	-	4.55
Brokerage expense		
-Kotak Securities Limited	20.94	22.75
Demat charges expense		
- Kotak Securities Limited	0.26	0.24
License fee expense		
- Kotak Securities Limited	-	3.93
Insurance premium expense		
- Kotak Mahindra General Insurance Company Limited	2.17	1.94
- Kotak Mahindra Life Insurance Company Ltd.	7.49	12.30
Expense reimbursement to other company		
- Kotak Securities Limited	-	0.12
Employee liability transfer in		
- Kotak Infrastructure Debt Fund Limited	-	1.79
- Kotak Investment Advisory Limited	-	20.71

Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

	31 st March, 2024	31 st March, 2023
Employee liability transfer out		
- Kotak Securities Limited	6.26	3.86
- Kotak Mahindra Prime Limited	-	0.45
- Kotak Infrastructure Debt Fund Limited	-	0.37
- Kotak Investment Advisory Limited	14.81	71.52
Sale of securities		
- Kotak Securities Limited	-	30,128.28
Issue of NCDs		
- BSS Microfinance Limited	5,000.00	5,000.00
Asset transfer-out		
- Kotak Infrastructure Debt Fund Limited	-	0.62
- Kotak Mahindra Prime Limited	-	0.49
Asset transfer-In		
- Kotak Infrastructure Debt Fund Limited	-	0.68
- Kotak Mahindra Prime Limited	0.58	-
b) Balances outstanding as at the year end :		
Finance		
Non Convertible Debentures issued		
- Kotak Securities Limited	18,196.84	18,191.33
- BSS Microfinance Limited	10,242.01	5,039.63
Other Securities		
Outstanding receivable		
- Kotak Securities Limited	1,617.21	-
Other Receipts and Payments		
Demat charges payable		
- Kotak Securities Limited	0.21	0.24
Service charges Receivable		
- Kotak Mahindra Prime Limited	5.94	127.12
- Kotak Infrastructure Debt Fund Limited	3.35	-
Service charges Payable		
- Kotak Securities Limited	-	0.11
- Kotak Infrastructure Debt Fund Limited	-	0.70
Insurance premium paid in advance		
- Kotak Mahindra General Insurance Company Limited	0.58	0.38
- Kotak Mahindra Life Insurance Company Ltd	6.13	7.49
Receivable towards Referral fee income		
- Kotak Mahindra Capital Company Limited	59.13	-
III Associate Company/Joint Ventures		
a) Balances outstanding as at the year end :		
Investments		
Phoenix ARC Pvt Limited	6,100.50	6,100.50
IV Entities over which relative of director has significant influence		
a) Balances outstanding as at the year end :		
Investments		
Business Standard Private Limited	0.20	0.20
Other Receipts and Payments		
Aero Agencies Limited		
Fees on travel tickets purchased	2.42	0.69
Prepayment to Service Provider	0.42	0.42
V Key Management Personnel (KMP)		
Remuneration		
Mr. Amit Bagri	371.69	344.19



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 37 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

37.1. ACCOUNTING CLASSIFICATION

Classification of financial assets and financial liabilities:

(₹ in lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others
Financial assets								
Cash and cash equivalents	84,667.10	-	-	-	33,347.36	-	-	-
Bank Balance other than cash and cash equivalents	49.88	-	-	-	47.09	-	-	-
Receivables:								
Trade receivables	-	-	-	-	0.28	-	-	-
Other receivables	1,773.00	-	-	-	155.46	-	-	-
Loans	1,170,413.54	-	-	-	933,538.92	-	-	-
Investments	32,250.09	133,983.73	46,161.33	6,100.50	36,929.43	154,007.21	52,179.13	6,100.50
Other financial assets	391.35	-	-	-	224.92	-	-	-
Total	1,289,544.96	133,983.73	46,161.33	6,100.50	1,004,243.46	154,007.21	52,179.13	6,100.50
Financial liabilities								
Derivative financial instruments	-	-	6,326.51	-	-	-	5,891.36	-
Payables:								
Trade payables	534.63	-	-	-	380.84	-	-	-
Other payables	679.61	-	-	-	1,354.86	-	-	-
Debt securities	759,579.04	-	-	-	490,668.25	-	-	-
Borrowings (other than debt securities)	359,370.35	-	-	-	417,296.29	-	-	-
Subordinated liabilities	20,238.84	-	-	-	20,231.85	-	-	-
Other financial liabilities	108.51	-	-	-	70.55	-	-	-
Total	1,140,510.98	-	6,326.51	-	930,002.64	-	5,891.36	-

Notes

to the financial statements for the year ended 31st March, 2024

37.2. FAIR VALUE

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

(₹ in lakh)

Particulars	Fair value							
	As at 31 st March, 2024				As at 31 st March, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in mutual funds	-	-	-	-	45,006.87	-	-	45,006.87
Investments in venture capital funds	-	-	4,325.78	4,325.78	-	-	1,256.06	1,256.06
Investments in preference shares	-	-	0.14	0.14	-	-	0.14	0.14
Investments in equity instruments	1,815.13	-	0.01	1,815.14	5,865.61	-	50.45	5,916.06
Investments in debt securities	-	-	40,020.27	40,020.27	-	-	-	-
Investments in government securities	119,032.64	-	-	119,032.64	149,605.15	-	-	149,605.15
Investments in treasury bills	14,951.09	-	-	14,951.09	4,402.06	-	-	4,402.06
Total	135,798.86	-	44,346.20	180,145.06	204,879.69	-	1,306.65	206,186.34
Financial liabilities								
Derivative financial instruments	-	6,326.51	-	6,326.51	-	5,891.36	-	5,891.36
Total	-	6,326.51	-	6,326.51	-	5,891.36	-	5,891.36

Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below.

It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakh)

Particulars	Fair value				
	As at 31 st March, 2024				
	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Loans	-	-	1,163,293.94	1,163,293.94	1,170,413.54
Investments	5,851.54	26,478.52	-	32,330.06	32,250.09
Total	5,851.54	26,478.52	1,163,293.94	1,195,624.00	1,202,663.63
Financial liabilities					
Debt securities	-	768,527.31	-	768,527.31	759,579.04
Borrowings (other than debt securities)	-	372,745.28	-	372,745.28	359,370.35
Subordinated liabilities	-	20,590.07	-	20,590.07	20,238.84
Total	-	1,161,862.67	-	1,161,862.67	1,139,188.23



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(₹ in lakh)

Particulars	Fair value				
	As at 31 st March, 2023				
	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Loans	-	-	947,248.83	947,248.83	933,538.92
Investments	25,403.32	11,725.69	-	37,129.01	36,929.43
Total	25,403.32	11,725.69	947,248.83	984,377.84	970,468.35
Financial liabilities					
Debt securities	-	488,547.91	-	488,547.91	490,668.25
Borrowings (other than debt securities)	-	418,463.91	-	418,463.91	417,296.29
Subordinated liabilities	-	20,533.85	-	20,533.85	20,231.85
Total	-	927,545.67	-	927,545.67	928,196.39

Fair value of items in Statement of Financial Position is presented below:

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	84,667.10	84,667.10	33,347.36	33,347.36
Bank Balance other than cash and cash equivalents	49.88	49.88	47.09	47.09
Receivables:				
Trade receivables	-	-	0.28	0.28
Other receivables	1,773.00	1,773.00	155.46	155.46
Loans	1,170,413.54	1,163,293.94	933,538.92	947,248.83
Investments*	218,495.65	218,575.62	249,216.27	249,415.85
Other financial assets	391.35	391.35	224.92	224.92
Total	1,475,790.52	1,468,750.89	1,216,530.30	1,230,439.79
Financial liabilities				
Derivative financial instruments	6,326.51	6,326.51	5,891.36	5,891.36
Payables				
Trade payables	534.63	534.63	380.84	380.84
Other payables	679.61	679.61	1,354.86	1,354.86
Debt securities	759,579.04	768,527.31	490,668.25	488,547.91
Borrowings (other than debt securities)	359,370.35	372,745.28	417,296.29	418,463.91
Subordinated liabilities	20,238.84	20,590.07	20,231.85	20,533.85
Other financial liabilities	108.51	108.51	70.55	70.55
Total	11,46,837.49	11,69,511.92	9,35,894.00	9,35,243.28

* Fair valuation of the investments include investments in associate and Joint Ventures which has been carried at cost.

In case of short term financial instrument such as trade receivable, trade payable, short term current and term deposits with bank/CBLO, carrying value is considered as close approximation of fair value.

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37.3. 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 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing Net Asset Value (NAV).

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

37.3.1. Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, trade payables, certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

37.3.2. Valuation techniques used to determine fair value:

37.3.2.1. Investments 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.

37.3.2.2. Investments in preference shares

The fair values have been calculated using the discounted cash flow approach.

37.3.2.3. Investments in venture capital 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.

37.3.2.4. Investments in equity instruments

Unquoted: The Cost Approach - Break Up Value method has been adopted for valuation of equity shares.

Quoted: Investment in quoted equity instruments have been determined under level 1 using quoted market prices of the underlying instruments.

37.3.2.5. Investments in central government securities

The fair value of central government securities is based on ISIN-wise MTM price published by FBIL / FIMMDA / or any other reliable source

37.3.2.6. Investments in treasury bills

The fair values have been calculated using the discounted cash flow approach using interpolated yields published by FBIL / FIMMDA / or any other reliable source.

37.3.2.7. Investments in debt securities

The fair value of listed debt securities is based on ISIN-wise MTM price published by respective rating agencies and The fair values of unlisted Debt Securities have been calculated using the discounted cash flow approach.



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37.3.2.8. Investments in derivative financial instruments

Interest rate swap: Fair value of IRS has been determined under Level 2 using discounted cash flow method. The cash flows for the Fixed Leg and the Floating Leg of the Interest Rate Swap are calculated/projected. The rate for the interest cash flows of the Fixed leg of the IRS deal is contained in the deal terms (contracted at the inception of the trade). The rates of the interest cash flows of the Floating leg of the IRS deal are derived from the Interest Rate Curve (Forward Estimation Curve) on the valuation date. The projected cash flows for each leg are discounted using the Interest Rate Curve (Discount Curve) for the valuation date. The value of the Swap is calculated as the difference between the discounted value of the receive-leg and the discounted value of the pay-leg of the swap. IRS trades entered are MIBOR OIS deals linked to the Overnight Mumbai Interbank Outright Rate (MIBOR) published by FBIL on daily basis (except Saturdays, Sundays and local holidays). This rate – published by FBIL- is used for fixing of interest rates on the Floating leg of the swap. The Forward Estimation Curve and Discount Curve for such deals are both the MIBOR OIS Curve.

Embedded derivative on market linked debentures: The valuation of the option portion is based on Monte Carlo simulation technique. Geometric Brownian Motion (GBM) Model along with implementation of the Local Volatility is used for simulating the underlying asset.

37.3.3. Fair value of financial instruments carried at amortised cost

37.3.3.1. 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. Fair value of level 3 loans would decrease (increase) in value depending on increase (decrease) in discount rate. Present value of expected cash flow from impaired loan at original Effective interest rate is taken as fair value.

37.3.3.2. Borrowings

The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model. The discount rates were based on yield curves appropriate for the remaining maturities of the instruments as published by Financial Benchmarks India Private Limited (FBIL).

37.4. FAIR VALUES MEASUREMENT ON LEVEL 3 INVESTMENTS

37.4.1. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

Particulars	As at 1 st April, 2024	Total gains/ (losses) recorded in profit and loss	Purchases	Sales / Settlements	Transfers in / (out)	As at 31 st March, 2024
						(₹ in lakh)
Investments in equity instruments	50.45	(50.44)	-	-	-	0.01
Investments in preference shares	0.14	-	-	-	-	0.14
Investments in venture funds	1,256.06	299.99	2,892.61	(122.88)	-	4,325.78

Particulars	As at 1 st April, 2024	Total gains/ (losses) recorded in profit and loss	Purchases	Sales / Settlements	Transfers in / (out)	As at 31 st March, 2024
						(₹ in lakh)
Investments in equity instruments	54.06	(3.61)	-	-	-	50.45
Investments in preference shares	-	-	0.14	-	-	0.14
Investments in venture funds	1,002.56	(521.50)	775.00	-	-	1,256.06

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37.4.2. Unobservable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Investments in preference shares	Discounted cash flow	Interest rate to discount future cash flows	Significant decrease in discount factor would result in higher fair value
Loans	Discounted cash flow	Interest rate to discount future cash flows	Significant decrease in discount factor would result in higher fair value
Investment in debentures	Discounted cash flow	Net expected Cash flows used	Significant increase in net expected cash flows would result in higher fair value
Investments in equity Instruments	Valuation is based on net asset value method which is based on the asset and liabilities values as per the Latest financial statements of the investee company	Book values of assets and liabilities	Significant decrease in book value of assets and liabilities would result into lower fair value
Investments in venture fund	Net asset value	Net asset value	Significant decrease in book value of assets and liabilities would result into lower fair value

37.5. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of risks namely:

- Credit risk;
- Liquidity risk; and
- Interest rate risk

37.5.1. Financial risk management

Risk Management policy outlines the approach and mechanisms of risk management in the Company, including identification, reporting and measurement of risk in various activities undertaken by the Company. The general objective of risk management is to support business units by ensuring risks are timely identified and adequately considered in decision-making, and are viewed in conjunction with the earnings.

The Company's risk management policies are established to identify and analyze 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 the 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.

The Risk Management committee of Board exercises supervisory power in connection with the risk management of the Company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.



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The note below explains the sources of risk which the entity is exposed to and how the entity manages the risk in its financial statements

Risk	Exposure arising from	Management
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. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.	<p>The Company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters; group financial strength and leverage; operational and financial performance track record; client cash flows; valuation of collateral (real estate - considering status of project approvals, market benchmarking and current going rates; corporates – considering capital market trend / cash flows / peer comparison as applicable).</p> <p>The exposures are subjected to regular monitoring of (real estate - project performance, cash flows, security cover; corporates – exposures backed by listed securities, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.</p>
Liquidity Risk	Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.	<p>Board of Directors (the Board) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances.</p> <p>In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the Board.</p> <p>Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the Board.</p> <p>ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board.</p> <p>Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.</p> <p>The Company has formulated a policy on Liquidity Risk Management Framework which covers liquidity risk management, maintaining LCR, stress testing, contingency funding plan, maturity profiling and liquidity risk measurement – stock approach, interest Rate Risk and liquidity risk monitoring tools. (Refer Note 37.5.3)</p>
Interest rate risk	Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income. Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).	<p>Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits.</p> <p>In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board.</p> <p>Treasury is entrusted with the responsibility of managing interest rate risk within the overall risk limits as approved by the Board.</p> <p>ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board.</p>

37.5.2. 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. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

The company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to thorough assessment of promoters; group financial strength and leverage; operational & financial performance track record; cash flows; valuation of collateral (real estate - considering status of approvals, market benchmarking & current going rates; corporates – considering capital market trend / cash flows / peer comparison as applicable).

The exposures are subjected to regular monitoring of (project operating performance, cash flows, security cover; corporates – exposures backed by listed securities, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.

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The amounts presented are gross of impairment loss allowance.

The carrying amounts of following financial assets represent the maximum credit risk exposure:-

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Loans at amortised cost		
- Commercial real estate	671,644.00	461,092.06
- Structured Products and Other Lending	507,447.96	482,419.37
Investments	32,262.31	36,979.99
Other financial assets	86,907.65	33,783.03
	1,298,261.92	1,014,274.44

37.5.2.1. Narrative disclosures of credit risk

The amount of collateral obtained, if deemed necessary by the Company while granting credit facility, is based on management's credit evaluation of the counterparty. Collateral primarily include mortgage of property and/ or pledge of securities and/or hypothecation of receivables and/ or undertaking to create a security.

37.5.2.2. Quantitative Information of Collateral - Credit Impaired asset

(Collateral Coverage - Value of collateral available to mitigate the credit exposure)

S No.	Loan To Value (LTV) range	Gross value of loan in stage 3	
		As at 31 st March, 2024	As at 31 st March, 2023
1	Upto 50% Coverage *	1,953.06	3,760.52
2	51% - 70% Coverage	-	-
3	71% - 100% Coverage	-	-
4	Above 100% coverage	2,803.49	8,097.46
		4,756.55	11,857.98

* Provision created for impairment allowance against these loans - ₹1953.06 lakh (Previous Year ₹ 3,760.52 lakh)

37.5.2.3. Financial assets received as collateral

Company has received Financial assets as collateral that it is permitted to sell in the absence of default.

At 31st March, 2024, the fair value of financial assets accepted as collateral against Loan that the Company is permitted to sell or repledge in the absence of default was ₹ Nil (31st March, 2023: Nil).

During the year ended on 31st March, 2024, the fair value of financial assets accepted as collateral that had been sold was ₹ Nil (Year ended on 31st March, 2023: Nil). The Company adjusts the sales proceed from carrying amount of loan and is not obliged to return equivalent securities.

37.5.2.4. Amounts arising from ECL

The Company uses the Expected Credit Loss Model to assess impairment loss or gain.

37.5.2.4.1. Inputs, assumptions and techniques used for estimating impairment on loans

Inputs considered in the ECL model:

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk since initial recognition on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.



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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, credit assessment and including forward looking information.

Loans are categorized into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

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

- Current - Stage 1
- 0-30 days past due - Stage 1
- 31- 60 days past due - Stage 2
- 61- 89 days past due - Stage 2
- 90 days and above past due - Stage 3

The three stages reflect the general pattern of credit deterioration of a financial instrument.

Further, company considers following additional factors to determine significant increase in credit risk since initial recognition:

- 2 notch downgrade in Internal rating (wherever available) since initial recognition of loan
- 2 notch downgrade in external rating (wherever available) since initial recognition of loan
- management judgement of significant increase in credit risk based on the internal assessment.

Company does not move loan from higher stage to lower stage immediately after payment of overdue amount and applies following cooling off period for upgradation:

From Stage 2 to Stage 1

- Instrument should continue in lower than 30 dpd for at least six months

From Stage 3 to Stage 2

- Instrument should continue in lower than 90 dpd for at least six months or
- Moves to zero dpd

Assumption considered in the ECL model:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future.
- "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.
- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

The Company provides for Expected Credit Losses based on the following:

Category - Description	Basis for recognition of ECL
1. Stage 1 - Standard (Performing) Asset -	12 month PD
2. Stage 2 - Significant Credit Deteriorated Asset -	Life time PD
3. Stage 3- Default (Credit Impaired) Asset -	100% PD

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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, lending rate, private consumption, domestic demand, real estate price movement, real estate unsold inventory and money supply. 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.

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 Stage 2, if on the reporting date, it has been more than 30 days past due.

Credit Impaired:

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days from the day it is due. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of Financial assets

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

37.5.2.4.2. Gross carrying value

The following table shows reconciliations from the opening to the closing balance of the Gross Carrying value

Loans

(₹ in lakh)

Particulars	12-month ECL	Life Time ECL- not Credit Impaired	Life Time ECL- Credit Impaired	Total
Balance as at 31st March, 2022	631,888.63	36,575.76	8,871.05	677,335.44
Transition From 12 month ECL	(9,210.64)	9,210.64	-	-
Transition From Lifetime ECL not credit impaired	9,550.71	(15,140.12)	5,589.41	-
Transition From Lifetime ECL credit impaired	-	-	-	-
Net remeasurement	(118,329.75)	(5,106.90)	54.10	(123,382.55)
New financial assets originated during the year	638,260.72	10,736.65	-	648,997.37
Financial assets that have been derecognised during the period	(244,454.64)	(12,327.62)	(2,656.58)	(259,438.84)
Write-offs	-	-	-	-
Balance as at 31st March, 2023	907,705.03	23,948.41	11,857.98	943,511.42
Transition From 12 month ECL	(29,976.82)	29,976.82	-	-
Transition From Lifetime ECL not credit impaired	17,593.20	(17,593.20)	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-
Net remeasurement	(101,606.25)	(1,150.69)	357.02	(102,399.92)
New financial assets originated during the year	701,558.57	9,911.94	-	711,470.51
Financial assets that have been derecognised during the period	(360,383.86)	(5,647.74)	(5,362.00)	(371,393.60)
Write-offs	-	-	(2,096.45)	(2,096.45)
Balance as at 31st March, 2024	1,134,889.87	39,445.54	4,756.55	1,179,091.96



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Investments

Particulars	12-month ECL	Life Time ECL- not Credit Impaired	Life Time ECL- Credit Impaired	Total (FVOCI)	Amortised cost
Balance as at 31st March, 2022	39,074.08	-	-	-	39,074.08
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement	(7,351.89)	-	-	-	(7,351.89)
New financial assets originated during the year	25,316.23	-	-	-	25,316.23
Financial assets that have been derecognised during the period	(20,058.43)	-	-	-	(20,058.43)
Write-offs	-	-	-	-	-
Balance as at 31st March, 2023	36,979.99	-	-	-	36,979.99
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement	(7,475.27)	-	-	-	(7,475.27)
New financial assets originated during the year	28,073.82	-	-	-	28,073.82
Financial assets that have been derecognised during the period	(25,316.23)	-	-	-	(25,316.23)
Write-offs	-	-	-	-	-
Balance as at 31st March, 2024	32,262.31	-	-	-	32,262.31

Trade Receivables And Other financial assets

Particulars	Trade Receivables And Other financial assets
Balance as at 31st March, 2022	37,532.26
Addition/Deletion during the year	(3,749.23)
Balance as at 31st March, 2023	33,783.03
Addition/Deletion during the year	53,124.62
Balance as at 31st March, 2024	86,907.65

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37.5.2.4.3. Impairment loss allowance

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

Loans

Particulars	12-month ECL	Life Time ECL- not Credit Impaired	Life Time ECL- Credit Impaired	Total
Balance as at 31st March, 2022	2,139.09	3,325.72	5,023.97	10,488.78
Transition From 12 month ECL	(40.85)	40.85	-	-
Transition From Lifetime ECL not credit impaired	1,242.94	(1,547.02)	304.08	-
Transition From Lifetime ECL credit impaired	-	-	-	-
Net remeasurement	(1,868.61)	168.26	1,083.07	(617.28)
New financial assets originated during the year	1,307.70	389.91	-	1,697.61
Financial assets that have been derecognised during the period	(929.81)	(561.27)	(105.53)	(1,596.61)
Write-offs	-	-	-	-
Balance as at 31st March, 2023	1,850.46	1,816.45	6,305.59	9,972.50
Transition From 12 month ECL	(54.95)	54.95	-	-
Transition From Lifetime ECL not credit impaired	622.87	(622.87)	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-
Net remeasurement	(364.39)	985.55	715.96	1,337.12
New financial assets originated during the year	2,609.96	450.22	-	3,060.18
Financial assets that have been derecognised during the period	(731.95)	(1,185.64)	(1,677.34)	(3,594.93)
Write-offs	-	-	(2,096.45)	(2,096.45)
Balance as at 31st March, 2024	3,932.00	1,498.66	3,247.76	8,678.42

Investments

Particulars	12-month ECL	Life Time ECL- not Credit Impaired	Life Time ECL- Credit Impaired	Total (FVOCI)	Amortised cost
Balance as at 31st March, 2022	156.55	-	-	-	156.55
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement	(35.26)	-	-	-	(35.26)
New financial assets originated during the year	15.86	-	-	-	15.86
Financial assets that have been derecognised during the period	(86.59)	-	-	-	(86.59)
Write-offs	-	-	-	-	-
Balance as at 31st March, 2023	50.56	-	-	-	50.56
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement	(25.27)	-	-	-	(25.27)
New financial assets originated during the year	2.79	-	-	-	2.79
Financial assets that have been derecognised during the period	(15.86)	-	-	-	(15.86)
Write-offs	-	-	-	-	-
Balance as at 31st March, 2024	12.22	-	-	-	12.22



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Trade Receivables And Other financial assets

(₹ in lakh)

Particulars	Trade Receivables And Other financial assets
Balance as at 31st March, 2022	10.62
Addition/Deletion during the year	(2.70)
Balance as at 31st March, 2023	7.92
Addition/Deletion during the year	18.40
Balance as at 31st March, 2024	26.32

37.5.2.5. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Commercial real estate								
Current bucket	627,759.78	16,198.56	-	643,958.34	429,457.57	23,537.03	-	452,994.60
Past due 1–30 days	19,535.75	-	-	19,535.75	-	-	-	-
Past due 31–60 days	-	5,346.42	-	5,346.42	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-
Past due 90 days	-	-	2,803.49	2,803.49	-	-	8,097.46	8,097.46
Gross carrying amount	647,295.53	21,544.98	2,803.49	671,644.00	429,457.57	23,537.03	8,097.46	461,092.06
Impairment loss allowance	(3,139.49)	(1,489.79)	(1,294.70)	(5,923.98)	(1,449.45)	(1,816.45)	(2,545.07)	(5,810.97)
Net carrying amount	644,156.04	20,055.19	1,508.79	665,720.02	428,008.12	21,720.58	5,552.39	455,281.09
Structured Products and Other Lending								
Current bucket	487,438.32	4,579.44	-	492,017.76	478,247.46	411.38	-	478,658.84
Past due 1–30 days	156.02	13,321.12	-	13,477.14	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-
Past due 90 days	-	-	1,953.06	1,953.06	-	-	3,760.52	3,760.52
Gross carrying amount	487,594.34	17,900.56	1,953.06	507,447.96	478,247.46	411.38	3,760.52	482,419.37
Impairment loss allowance	(792.51)	(8.87)	(1,953.06)	(2,754.44)	(401.01)	-	(3,760.52)	(4,161.53)
Net carrying amount	486,801.83	17,891.69	-	504,693.52	477,846.45	411.38	-	478,257.83
Debentures								
Current bucket	22,210.27	-	-	22,210.27	36,979.99	-	-	36,979.99
Past due 1–30 days	10,052.04	-	-	10,052.04	-	-	-	-
Gross carrying amount	32,262.31	-	-	32,262.31	36,979.99	-	-	36,979.99
Impairment loss allowance	(12.22)	-	-	(12.22)	(50.56)	-	-	(50.56)
Net carrying amount	32,250.09	-	-	32,250.09	36,929.43	-	-	36,929.43

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

(₹ in lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Investments								
Current bucket	133,983.73			133,983.73	154,007.21			154,007.21
Gross carrying amount	133,983.73	-	-	133,983.73	154,007.21	-	-	154,007.21
Impairment loss allowance				-	-	-	-	-
Net carrying amount	133,983.73	-	-	133,983.73	154,007.21	-	-	154,007.21
Fair Value	-	-	-	-	-	-	-	-

The following table sets out the information about the credit quality of trade receivables and other financial assets including balance in current and time deposit with banks.

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	12-month ECL		12-month ECL	
Current bucket		86,907.65		33,783.03
Impairment loss allowance		(26.32)		(7.92)
Carrying amount		86,881.33		33,775.11

37.5.3. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.

Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances. For further details on the Company's strategy to mitigate liquidity risk (refer note 37.5.1. Financial risk management)



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Maturity Profile of Financial Liabilities
 The following are the remaining contractual maturities of financial asset & liabilities at the reporting date. For financial liabilities, amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements, if any. For financial assets, only carrying values (excluding any provision for impairment loss) as on the reporting date are considered.

Particulars	1 day to 7 days	8 days to 14 days	15 days to one month	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month upto 6 month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total											
	₹ in lakh)																					
As at 31st March, 2024																						
Financial assets																						
Cash and cash equivalents	84,683.61	-	-	-	-	-	-	-	-	-	84,683.61											
Bank Balance other than cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	49.89											
Receivables	-	-	-	-	-	-	-	-	-	-	-											
(I) Trade receivables	-	-	-	-	-	-	-	-	-	-	-											
(II) Other receivables	1,617.21	-	-	163.82	-	-	-	-	-	-	1,781.03											
Loans	5,690.73	343.54	7,558.45	14,030.27	14,207.02	97,737.29	170,617.42	755,131.17	101,444.55	12,331.52	1,179,091.96											
Investments	135,384.72	122.12	1,493.52	744.39	1,777.02	2,621.25	10,235.71	50,916.17	4,790.00	10,422.97	218,507.87											
Other financial assets	0.13	-	-	-	-	-	-	-	-	392.99	393.12											
227,376.40	465.66	9,051.97	14,774.66	16,147.86	100,358.54	180,853.13	806,097.23	106,234.55	23,147.48	1,484,507.48												
Financial liabilities																						
Derivative financial instruments	-	-	-	-	3,158.40	3,168.11	-	-	-	-	6,326.51											
Payables																						
(I) Trade payables	387.29	-	-	147.34	-	-	-	-	-	-	534.63											
(II) Other payables	416.99	-	-	-	-	-	-	-	-	-	679.61											
Debt securities	-	19,124.04	-	1,052.90	63,436.70	125,820.76	552,895.62	111,866.71	-	874,196.73												
Borrowings (other than debt securities)	1,659.93	12,500.00	2,473.71	16,071.24	64,471.97	88,151.00	75,857.51	122,131.49	2,885.59	-	386,202.44											
Subordinated liabilities	-	-	-	-	-	-	1,722.50	22,992.71	-	-	24,715.21											
Other financial liabilities	16.21	-	-	11.95	20.18	39.17	12.03	-	8.97	108.51												
2,480.42	12,500.00	21,597.75	16,071.24	65,684.16	154,766.28	206,608.05	698,294.47	114,752.31	8.97	1,292,763.64												

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Particulars	1 day to 7 days	8 days to 14 days	15 days to one month	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month upto 6 month	Over 6 month upto 1 year	Over 3 years	Over 5 years	Total	(₹ in lakh)										
As at March 31, 2023																					
Financial assets																					
Cash and cash equivalents	33,353.86	-	-	-	-	-	-	-	-	-	33,353.86										
Bank Balance other than cash and cash equivalents	-	-	-	-	47.10	-	-	-	-	-	47.10										
Receivables																					
(I) Trade receivables	-	0.04	0.24	-	-	-	-	-	-	-	0.28										
(II) Other receivables	-	-	-	-	156.04	-	-	-	-	-	156.04										
Loans	2,685.12	274.33	3,375.72	7,756.50	66,096.02	81,566.39	136,298.41	542,335.42	92,533.29	10,590.22	943,511.43										
Investments	199,014.07	-	76.86	73.66	10,911.76	3,030.18	17,821.01	8,557.06	2,400.00	7,382.23	249,266.83										
Other financial assets	0.13	-	-	-	-	-	-	-	-	225.62	225.75										
	235,053.18	274.37	3,452.82	7,830.16	77,163.81	84,643.67	154,119.42	550,892.48	94,933.29	18,198.07	1,226,561.28										
Financial liabilities																					
Derivative financial instruments	-	-	-	-	-	-	-	5,891.36	-	-	5,891.36										
Payables																					
(I) Trade payables	326.18	-	-	-	54.66	-	-	-	-	-	380.84										
(II) Other payables	614.72	-	-	-	-	-	-	740.14	-	-	1,354.86										
Debt securities	-	25,000.00	-	5,122.60	1,650.00	177,903.97	282,965.11	55,475.01	-	-	548,116.69										
Borrowings (other than debt securities)	124,231.14	403.30	828.10	27,565.85	55,646.96	45,475.21	83,525.11	90,694.76	12,140.58	-	440,511.01										
Subordinated liabilities	-	-	-	-	-	-	1,724.31	8,443.19	16,270.21	-	26,437.71										
Other financial liabilities	2.54	-	-	-	9.10	36.31	2.42	20.18	-	-	70.55										
	125,172.05	403.30	25,828.10	27,565.85	60,824.23	47,125.21	263,153.39	388,734.56	83,885.81	-	1,022,692.49										



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37.5.4. Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings, loans and investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing loans & investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings, loans and advances. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

Particulars	(₹ in lakh)	
	31 st March, 2024	31 st March, 2023
Fixed-rate instruments		
Financial assets	1,022,850.06	745,181.16
Financial liabilities	(906,423.72)	(681,778.60)
Variable-rate instruments		
Financial assets	377,576.02	434,539.95
Financial liabilities	(232,764.50)	(246,417.79)
Rate insensitive	67,715.17	29,111.58
Total Net	328,953.03	280,636.30

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments(net)	1,448.12	(1,448.12)	1,881.22	(1,881.22)
Cash Flow sensitivity	1,448.12	(1,448.12)	1,881.22	(1,881.22)

The risk estimates computation assume a parallel shift of 100 basis points interest rate across all yield curves and tenure. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

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37.5.5. The following table presents the recognised financial instruments and other similar agreements that can be offset but are not offset

The column 'maximum exposure' shows the impact on the Company's balance sheet if all set-off rights are exercised.

Particulars	Effect of offsetting on the balance sheet					(₹ in lakh)
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Netting potential not recognised on the balance sheet - Financial collaterals obtained*	Maximum exposure	
March 31, 2024						
Loans and advances	-	-	-	-	-	
Structured Products and Other Lending	-	-	-	-	-	
	-	-	-	-	-	
March 31, 2023						
Loans and advances	-	-	-	-	-	
Structured Products and Other Lending	-	-	-	-	-	
	-	-	-	-	-	

*Company obtains financial collateral from its borrowers towards, loans advanced as loans against securities(LAS) and Margin funding portfolio. Fair value of the financial collateral obtained is more than the underlying loans exposure. Accordingly, amounts have been capped to the extent it does not exceed the net amount of financial assets presented on the balance sheet.

37.5.6. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk which primarily includes risk of change in market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. Objective of market risk management is to minimize impact of change in market value of lending/investments.

37.5.7. Currency Risk

Company's operating currency is Indian Rupee only and not exposed to foreign currency risk.

NOTE 38 EMPLOYEE BENEFITS

A. THE COMPANY CONTRIBUTES TO THE FOLLOWING POST-EMPLOYMENT DEFINED BENEFIT PLANS IN INDIA.

(i) Defined contribution plans:

In accordance with Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund and administered by a Board of Trustees. The employee contributes 12% of his or her basic salary and the Company contributes an equal amount. The Company recognized ₹ 163.18 lakh (Previous year- ₹ 146.34 lakh) for Provident Fund contribution in the Statement of Profit and Loss.

(ii) Defined benefit plan:

The Company offers the following employee benefit schemes to its employees:

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 lakh. (Previous Year ₹ 20 lakh).

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.



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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:

Particulars	Note	(₹ in lakh)	
		As at 31 st March, 2024	As at 31 st March, 2023
Net defined benefit liability	18	302.64	308.34
Total employee benefit liabilities		302.64	308.34

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

Loan To Value (LTV) range	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024	As at 31 st March, 2023
Included in profit or loss						
Opening balance	308.34	309.29	-	-	308.34	309.29
Current service cost	52.35	45.91	-	-	52.35	45.91
Past service cost	-	-	-	-	-	-
Interest cost (income)	19.37	18.31	-	-	19.37	18.31
Other adjustments	-	26.99	-	-	-	26.99
	380.06	400.50	-	-	380.06	400.50
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	8.95	-	-	-	8.95
Financial assumptions	2.13	(8.50)	-	-	2.13	(8.50)
Experience adjustment	(11.65)	12.54	-	-	(11.65)	12.54
Return on plan assets excluding interest income		-	-	-	-	-
Other adjustments	-	(26.99)	-	-	-	(26.99)
	(9.51)	(14.00)	-	-	(9.51)	(14.00)
Other						
Benefits paid	(62.65)	(41.06)	-	-	(62.65)	(41.06)
Liabilities assumed / (settled)	(5.27)	(37.10)	-	-	(5.27)	(37.10)
Closing balance	302.63	308.34	-	-	302.63	308.34
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	-	-	-	-	302.63	308.34

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C. EXPENSES RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Current service cost	52.35	45.91
Interest on net defined benefit liability / (asset)	19.37	18.31
Other adjustments	-	26.99
	71.72	91.21

D. REMEASUREMENTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Actuarial loss (gain) arising from:		
Demographic assumptions	-	8.95
Financial assumptions	2.13	(8.50)
Experience adjustment	(11.65)	12.54
	(9.51)	12.99
Return on plan assets excluding interest income		
Other adjustments	-	(26.99)
	(9.51)	(14.00)

E. DEFINED BENEFIT OBLIGATIONS

i. Actuarial assumptions

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

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	7.00%	7.00%
Mortality rate Age (Years)	Rates (p.a.)	Rates (p.a.)
18	0.09%	0.09%
23	0.09%	0.09%
28	0.09%	0.09%
33	0.11%	0.11%
38	0.15%	0.15%
43	0.21%	0.21%
48	0.35%	0.35%
53	0.62%	0.62%
58	0.97%	0.97%

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



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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.

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	295.64	309.98	301.62	315.39
Future salary growth (0.5% movement)	306.58	298.75	312.46	304.28

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.

F. EXPERIENCE ADJUSTMENTS

Particulars	Gratuity				
	Year ended 31 st March				
	2024	2023	2022	2021	2020
Defined benefit obligation	302.64	308.34	309.29	253.93	261.30
Plan assets	-	-	-	-	-
Surplus / (deficit)	302.64	308.34	309.29	253.93	261.30
Experience adjustments on plan liabilities	(11.64)	12.54	36.69	(1.36)	18.88
Experience adjustments on plan assets	-	-	-	-	-

G. ACCUMULATED COMPENSATED ABSENCES

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized ₹ 0.19 lakh (Previous year- ₹ 64.44 lakh) for compensated absences in the Statement of Profit and Loss.

H. LONG SERVICE AWARD

The Company provides for long service awards as at the balance sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of life insurance of its fellow subsidiary.

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NOTE 39 SHARE-BASED PAYMENT ARRANGEMENTS

A. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

i. Share option plans (equity-settled)

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

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

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

The fair value of the option is determined using a Black-Scholes options pricing model. During the year, ₹ 1.9 lakh (Previous year: ₹ 7.48 lakh) was charged to the Company's statement of profit or loss in respect of equity-settled share-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

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

Scheme Reference	Grant Date	Method of Settlement Accounting	31 st March, 2024			31 st March, 2023		
			No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015-19								
A	20-May-19	Equity settled	-	-	-	2,604	31-Dec-22	3.62
2015-25								
A	7-Aug-20	Equity settled	-	-	-	1,482	30-Nov-22	2.32
B	7-Aug-20	Equity settled	-	-	-	1,028	30-Jun-23	2.90
C	7-Aug-20	Equity settled	1,508	31-Dec-23	3.40	1,028	31-Dec-23	3.40
2015-30								
A	20-May-21	Equity settled	-	-	-	2,075	30-Jun-23	2.11
B	20-May-21	Equity settled	2,166	30-Jun-24	3.12	2,075	30-Jun-24	3.12
C	20-May-21	Equity settled	2,172	30-Jun-25	4.12	2,085	30-Jun-25	4.12
2015-34								
A	10-May-22	Equity settled	-	-	-	1,863	31-May-23	1.06
B	10-May-22	Equity settled	1,983	31-May-24	2.06	1,863	31-May-24	2.06
C	10-May-22	Equity settled	1,983	31-May-25	3.06	1,863	31-May-25	3.06
D	10-May-22	Equity settled	1,981	31-May-26	4.06	1,861	31-May-26	4.06
2015-39								
A	18-Oct-22	Equity settled	1,105	31-Oct-23	1.04	1,105	31-Oct-23	1.04
B	18-Oct-22	Equity settled	1,105	31-Oct-24	2.04	1,105	31-Oct-24	2.04
C	18-Oct-22	Equity settled	1,105	31-Oct-25	3.04	1,105	31-Oct-25	3.04
D	18-Oct-22	Equity settled	1,105	31-Oct-26	4.04	1,105	31-Oct-26	4.04
2015-40								
A	2-May-23	Equity settled	1,798	30-Jun-24	1.16	-	-	-
B	2-May-23	Equity settled	1,798	30-Jun-25	2.16	-	-	-
C	2-May-23	Equity settled	1,798	30-Jun-26	3.16	-	-	-
D	2-May-23	Equity settled	1,796	30-Jun-27	4.16	-	-	-



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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, 2024

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
2015-25	7-Aug-20	1.07 - 3.40	0.50 - 0.50	1.13 - 3.65	1341	1340.10	3.61% - 5.06%	0.06%	39.75% - 29.29%	267.12 - 395.03
2015-30	20-May-21	1.08 - 4.09	0.50 - 0.50	1.34 - 4.34	1801	1800.75	4.05% - 5.53%	0.05%	29.80% - 42.76%	390.94 - 609.04
2015-34	10-May-22	1.06 - 4.06	0.50 - 0.50	1.31 - 4.31	1798	1767.50	5.75% - 7.26%	0.06%	27.72% - 31.40%	268.84 - 654.77
2015-39	18-Oct-22	1.04 - 4.04	0.50 - 0.50	1.28 - 4.29	1834	1858.15	7.01% - 7.52%	0.06%	26.77% - 31.76%	315.30 - 721.39
2015-40	2-May-23	1.16 - 4.16	0.50 - 0.50	1.42 - 4.42	1939	1938.05	7.05% - 7.14%	0.08%	23.45% - 30.80%	307.85 - 729.28

As at 31st March, 2023

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
2015-19	20-May-19	1.20 - 3.62	0.50 - 0.50	1.45 - 3.87	1460	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	0.50 - 0.50	1.13 - 3.65	1341	1,340.10	3.61% - 5.06%	0.06%	39.75% - 29.29%	267.12 - 395.03
2015-30	20-May-21	1.08 - 4.09	0.50 - 0.50	1.34 - 4.34	1801	1,800.75	4.05% - 5.53%	0.05%	29.80% - 42.76%	390.94 - 609.04
2015-34	10-May-22	1.06 - 4.06	0.50 - 0.50	1.31 - 4.31	1798	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	0.50 - 0.50	1.28 - 4.29	1834	1,858.15	7.01% - 7.52%	0.06%	26.77% - 31.76%	315.30 - 721.39

A. Description of share-based payment arrangements

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024

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.

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C. RECONCILIATION OF OUTSTANDING SHARE OPTIONS

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2024

Scheme	Grant Date	31 st March, 2024							
		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
2015-19	20-May-19	2,604	-	(3,420)	816	-	-	-	-
2015-25	7-Aug-20	3,538	-	(3,950)	1,920	-	-	1,508	1,508
2015-30	30-May-21	6,235	-	(2,166)	269	-	-	4,338	-
2015-34	10-May-22	7,450	-	-	480	(1,983)	-	5,947	-
2015-39	18-Oct-22	4,420	-	-	-	-	-	4,420	1,105
2015-40	2-May-23	-	6,200	-	990	-	-	7,190	-
		24,247	6,200	(9,536)	4,475	(1,983)	-	23,403	2,613

Scheme	Grant Date	31 st March, 2023							
		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
2015-14	18-May-18	3,386	-	(2,572)	(814)	-	-	-	-
2015-19	20-May-19	15,675	-	(9,506)	(3,328)	(87)	(150)	2,604	2,604
2015-25	7-Aug-20	9,541	-	(60)	(5,383)	-	(560)	3,538	1,482
2015-30	30-May-21	14,960	-	(706)	(6,140)	(1,496)	(383)	6,235	-
2015-34	10-May-22	-	11,300	-	(3,850)	-	-	7,450	-
2015-39	18-Oct-22	-	4,420	-	-	-	-	4,420	-
		43,562	15,720	(12,844)	(19,515)	(1,583)	(1,093)	24,247	4,086

* 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 ₹1907.01 (Previous year: ₹ 1,742.11).

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, 2024			31 st March, 2023		
		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 (₹)
2015-19	1401-1500	-	-	-	2,604	0.25	1,460.00
2015-25	1300-1400	1,508	0.25	1,341.00	3,538	0.73	1,341.00
2015-30	1801-1900	4,338	1.25	1,801.00	6,235	1.75	1,801.00
2015-34	1701-1800	5,947	1.67	1,798.00	7,450	2.17	1,798.00
2015-39	1801-1900	4,420	1.58	1,834.00	4,420	2.58	1,834.00
2015-40	1701-1800	7,190	2.25	1,939.00	-	-	-



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to the financial statements for the year ended 31st March, 2024

ii. Stock Appreciation Rights (cash-settled)

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 9,370 SARs during FY 2023-24. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.16 years to 4.16 years.

(₹ in lakh)

Scheme Reference	Grant Date	Method of Settlement Accounting	31 st March, 2024			31 st March, 2023		
			No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)	No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)
Scheme 2015 Series 28								
Tranche VII	7-Aug-20	Cash settled	-	-	-	148	30-Jun-23	2.90
Tranche VIII	7-Aug-20	Cash settled	-	-	-	150	7-Jul-23	2.92
Tranche IX	7-Aug-20	Cash settled	-	-	-	150	14-Jul-23	2.93
Tranche X	7-Aug-20	Cash settled	-	-	-	148	31-Dec-23	3.40
Tranche XI	7-Aug-20	Cash settled	-	-	-	150	7-Jan-24	3.42
Tranche XII	7-Aug-20	Cash settled	-	-	-	150	14-Jan-24	3.44
Scheme 2015 Series 31								
Tranche I	7-Aug-20	Cash settled	-	-	-	448	31-Aug-23	3.07
Tranche II	7-Aug-20	Cash settled	-	-	-	448	7-Sep-23	3.08
Tranche III	7-Aug-20	Cash settled	-	-	-	448	14-Sep-23	3.10
Tranche IV	7-Aug-20	Cash settled	298	31-Aug-24	4.07	298	31-Aug-24	4.07
Tranche V	7-Aug-20	Cash settled	298	7-Sep-24	4.09	298	7-Sep-24	4.09
Tranche VI	7-Aug-20	Cash settled	300	14-Sep-24	4.11	300	14-Sep-24	4.11
Scheme 2015 Series 32								
Tranche IV	30-May-21	Cash settled	-	-	-	241	30-Jun-23	2.08
Tranche V	30-May-21	Cash settled	-	-	-	241	7-Jul-23	2.10
Tranche VI	30-May-21	Cash settled	-	-	-	247	14-Jul-23	2.12
Tranche VII	30-May-21	Cash settled	250	30-Jun-24	3.09	241	30-Jun-24	3.09
Tranche VIII	30-May-21	Cash settled	250	7-Jul-24	3.11	241	7-Jul-24	3.11
Tranche IX	30-May-21	Cash settled	252	14-Jul-24	3.13	247	14-Jul-24	3.13
Tranche X	30-May-21	Cash settled	251	30-Jun-25	4.09	242	30-Jun-25	4.09
Tranche XI	30-May-21	Cash settled	251	7-Jul-25	4.11	242	7-Jul-25	4.11
Tranche XII	30-May-21	Cash settled	252	14-Jul-25	4.13	249	14-Jul-25	4.13
Scheme 2015 Series 40								
Tranche I	10-May-22	Cash settled	-	-	-	731	31-May-23	1.06
Tranche II	10-May-22	Cash settled	-	-	-	731	7-Jun-23	1.08
Tranche III	10-May-22	Cash settled	-	-	-	731	14-Jun-23	1.10
Tranche IV	10-May-22	Cash settled	633	31-May-24	2.06	731	31-May-24	2.06
Tranche V	10-May-22	Cash settled	633	7-Jun-24	2.08	731	7-Jun-24	2.08
Tranche VI	10-May-22	Cash settled	631	14-Jun-24	2.10	731	14-Jun-24	2.10
Tranche VII	10-May-22	Cash settled	633	31-May-25	3.06	731	31-May-25	3.06
Tranche VIII	10-May-22	Cash settled	633	7-Jun-25	3.08	731	7-Jun-25	3.08
Tranche IX	10-May-22	Cash settled	631	14-Jun-25	3.10	731	14-Jun-25	3.10
Tranche X	10-May-22	Cash settled	629	31-May-26	4.06	726	31-May-26	4.06
Tranche XI	10-May-22	Cash settled	629	7-Jun-26	4.08	726	7-Jun-26	4.08
Tranche XII	10-May-22	Cash settled	631	14-Jun-26	4.10	729	14-Jun-26	4.10

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(₹ in lakh)

Scheme Reference	Grant Date	Method of Settlement Accounting	31 st March, 2024			31 st March, 2023		
			No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)	No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)
Scheme 2015 Series 51								
Tranche I	18-Oct-22	Cash settled	-	-	-	112	31-Oct-23	1.04
Tranche II	18-Oct-22	Cash settled	-	-	-	112	7-Nov-23	1.05
Tranche III	18-Oct-22	Cash settled	-	-	-	116	14-Nov-23	1.07
Tranche IV	18-Oct-22	Cash settled	112	31-Oct-24	2.04	112	31-Oct-24	2.04
Tranche V	18-Oct-22	Cash settled	112	7-Nov-24	2.06	112	7-Nov-24	2.06
Tranche VI	18-Oct-22	Cash settled	116	14-Nov-24	2.08	116	14-Nov-24	2.08
Tranche VII	18-Oct-22	Cash settled	112	31-Oct-25	3.04	112	31-Oct-25	3.04
Tranche VIII	18-Oct-22	Cash settled	112	7-Nov-25	3.06	112	7-Nov-25	3.06
Tranche IX	18-Oct-22	Cash settled	116	14-Nov-25	3.08	116	14-Nov-25	3.08
Tranche X	18-Oct-22	Cash settled	112	31-Oct-26	4.04	112	31-Oct-26	4.04
Tranche XI	18-Oct-22	Cash settled	112	7-Nov-26	4.06	112	7-Nov-26	4.06
Tranche XII	18-Oct-22	Cash settled	116	14-Nov-26	4.08	116	14-Nov-26	4.08
Scheme 2015 Series 55								
Tranche I	02-May-23	Cash settled	668	30-Jun-24	1.16	-	-	-
Tranche II	02-May-23	Cash settled	666	07-Jul-24	1.18	-	-	-
Tranche III	02-May-23	Cash settled	666	14-Jul-24	1.20	-	-	-
Tranche IV	02-May-23	Cash settled	666	30-Jun-25	2.16	-	-	-
Tranche V	02-May-23	Cash settled	666	07-Jul-25	2.18	-	-	-
Tranche VI	02-May-23	Cash settled	666	14-Jul-25	2.20	-	-	-
Tranche VII	02-May-23	Cash settled	666	30-Jun-26	3.16	-	-	-
Tranche VIII	02-May-23	Cash settled	666	07-Jul-26	3.18	-	-	-
Tranche IX	02-May-23	Cash settled	666	14-Jul-26	3.20	-	-	-
Tranche X	02-May-23	Cash settled	665	30-Jun-27	4.16	-	-	-
Tranche XI	02-May-23	Cash settled	665	07-Jul-27	4.18	-	-	-
Tranche XII	02-May-23	Cash settled	664	14-Jul-27	4.20	-	-	-



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

As at 31st March, 2024

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015 Series 31	7-Aug-20	0.42 - 0.46	0.42 - 0.46	-	1,785.50	7.11% - 7.14%	0.08%	17.44% - 17.79%	1784.81 - 1784.87
Scheme 2015 Series 32	30-May-21	0.25 - 1.29	0.25 - 1.29	-	1,785.50	7.02% - 7.07%	0.08%	17.28% - 19.24%	1783.57 - 1785.13
Scheme 2015, Series 40	10-May-22	0.17 - 2.21	0.17 - 2.21	-	1,785.50	6.97% - 7.14%	0.08%	17.54% - 20.94%	1782.19 - 1785.25
Scheme 2015, Series 51	18-Oct-22	0.59 - 2.62	0.59 - 2.62	-	1,785.50	7.09% - 7.17%	0.08%	16.61% - 22.25%	1781.57 - 1784.62
Scheme 2015 Series 55	2-May-23	0.25 - 3.29	0.25 - 3.29	-	1,785.50	7.02% - 7.18%	0.08%	17.28% - 22.98%	1780.57 - 1785.13

As at 31st March, 2023

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015, Series 28	7-Aug-20	0.25 - 0.79	0.25 - 0.79	-	1,721.05	7.00% - 7.32%	0.06%	15.63% - 19.61%	1,720.18 - 1,720.77
Scheme 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%	1,719.44 - 1,720.59
Scheme 2015 Series 32	30-May-21	0.25 - 2.29	0.25 - 2.29	-	1,721.05	7.00% - 7.27%	0.06%	15.63% - 24.95%	1,718.53 - 1,720.77
Scheme 2015, Series 40	10-May-22	0.17 - 3.21	0.17 - 3.21	-	1,721.05	6.92% - 7.29%	0.06%	16.59% - 33.18%	1,717.52 - 1,720.87
Scheme 2015, Series 51	18-Oct-22	0.59 - 3.63	0.59 - 3.63	-	1,721.05	7.18% - 7.32%	0.06%	17.38% - 32.21%	1,717.06 - 1,720.40

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024.

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.

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Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	As at 31 st March, 2024						
		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
Scheme 2015 Series 28	7-Aug-20	896	-	(1,148)	252	-	-	-
Scheme 2015 Series 31	7-Aug-20	2,240	-	(1,344)	-	-	-	896
Scheme 2015 Series 32	30-May-21	2,191	-	(787)	172	-	(70)	1,506
Scheme 2015, Series 40	10-May-22	8,760	-	(2,243)	143	-	(977)	5,683
Scheme 2015, Series 51	18-Oct-22	1,360	-	(340)	-	-	-	1,020
Scheme 2015 Series 55	2-May-23	-	9,370	-	(350)	-	(1,030)	7,990
		15,447	9,370	(5,862)	217	-	(2,077)	17,095

Scheme	Grant Date	As at 31 st March, 2023						
		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
Scheme 2015 Series 22	20-May-19	2,848	-	(1,866)	(950)	-	(32)	-
Scheme 2015 Series 28	7-Aug-20	3,115	-	(672)	(1,400)	-	(147)	896
Scheme 2015 Series 31	7-Aug-20	6,340	-	-	(4,100)	-	-	2,240
Scheme 2015 Series 32	30-May-21	4,720	-	(944)	(1,480)	-	(105)	2,191
Scheme 2015, Series 40	10-May-22	-	15,160	-	(4,700)	-	(1,700)	8,760
Scheme 2015, Series 51	18-Oct-22	-	1,360	-	-	-	-	1,360
		17,023	16,520	(3,482)	(12,630)	-	(1,984)	15,447

* This represents transfer of employees from Holding Company and its subsidiaries

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

(₹ in lakh)

Particulars	31 st March, 2024	31 st March, 2023
Total Employee compensation cost pertaining to share-based payment plans	(175.83)	(168.51)
Compensation cost pertaining to equity-settled employee share-based payment plan included above	(37.87)	(35.49)
Closing balance of liability for cash-settled options	173.09	138.60
Total intrinsic value of liabilities for vested benefits	-	-

NOTE 40 CAPITAL DISCLOSURE

The primary objectives of the capital management policy is to ensure that the Company complies with capital requirements stipulated by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders or return capital to shareholders.

No changes have been made to the objectives, policies and processes from the previous years, however the same is constantly reviewed by the Board. For Capital-to-Risk Weighted Assets (CRAR) as required by Regulator- Refer Note 49.01



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NOTE 41 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 lakh)

Particulars	As at 31 st March, 2024			As at 31 st March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	84,667.10	-	84,667.10	33,347.36	-	33,347.36
Bank Balance other than cash and cash equivalents	-	49.88	49.88	47.09	-	47.09
Receivables						
(I) Trade receivables	-	-	-	0.28	-	0.28
(II) Other receivables	1,773.00	-	1,773.00	155.46	-	155.46
Loans	301,297.85	869,115.69	1,170,413.54	248,666.06	684,872.86	933,538.92
Investments	152,305.06	66,190.59	218,495.65	230,909.71	18,306.56	249,216.27
Other financial assets	-	391.35	391.35	-	224.92	224.92
Total financial assets	540,043.01	935,747.51	1,475,790.52	513,125.96	703,404.34	1,216,530.30
Non-financial assets						
Current tax assets (Net)	-	253.03	253.03	-	766.78	766.78
Deferred tax assets (Net)	-	3,313.97	3,313.97	-	2,246.79	2,246.79
Property, plant and equipment	-	195.09	195.09	-	90.90	90.90
Intangible assets under development	-	-	-	14.93	-	14.93
Other intangible assets	-	23.03	23.03	-	32.29	32.29
Other non-financial assets	217.10	-	217.10	101.79	-	101.79
Total non-financial assets	217.10	3,785.12	4,002.22	116.72	3,136.76	3,253.48
Total Assets	540,260.11	939,532.63	1,479,792.74	513,242.68	706,541.10	1,219,783.78
LIABILITIES						
Financial liabilities						
Derivatives financial instruments	6,326.51	-	6,326.51	-	5,891.36	5,891.36
Payables						
(I) Trade payables	534.63	-	534.63	380.84	-	380.84
(II) Other payables	679.61	-	679.61	1,354.86	-	1,354.86
Debt securities	183,698.77	575,880.27	759,579.04	196,408.28	294,259.97	490,668.24
Borrowings (other than debt securities)	243,357.59	116,012.76	359,370.35	323,262.38	94,033.91	417,296.29
Subordinated liabilities	248.12	19,990.72	20,238.84	245.14	19,986.71	20,231.85
Other Financial liabilities	87.51	21.00	108.51	50.37	20.18	70.55
Total financial liabilities	434,932.74	711,904.75	1,146,837.49	521,701.87	414,192.13	935,894.00
Non-financial liabilities						
Current tax liabilities (Net)	2,986.85	-	2,986.85	2,699.32	-	2,699.32
Provisions	819.47	341.15	1,160.62	621.60	309.60	931.20
Other non-financial liabilities	801.91	-	801.91	598.06	-	598.06
Total non-financial Liabilities	4,608.23	341.15	4,949.38	3,918.98	309.60	4,228.58
Total Liabilities	439,540.97	712,245.90	1,151,786.87	525,620.85	414,501.73	940,122.58

NOTE 42 LITIGATION

The Company does not have any material litigations pending against it as at 31st March, 2024 and 31st March, 2023 which would impact its financial position

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 43 SEGMENT REPORTING

The main business activity of the Company is to lend/invest for/in Infrastructure projects, 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.

All operating segments' results are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Group Inter-Company revenues and expenses, for which discrete financial information is available. The Board of Directors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Company has identified following reportable segments, performance reports of which is regularly reviewed by the Board of Directors.

- Structured Products and Other Lending
- Commercial real estate
- Treasury and other investments

A. INFORMATION ABOUT REPORTABLE SEGMENTS

(₹ in lakh)

For the year ended 31 st March, 2024	Reportable segments						Total
	Structured Products and Other Lending	Commercial real estate	Treasury and other investments	Total segments	Unallocated	Adjustments and eliminations	
Revenue							
External revenue	57,512.38	72,154.51	12,699.84	142,366.73	-	-	142,366.73
Inter-segment revenue	-	-	68,585.09	68,585.09	-	-	68,585.09
Total Revenue	57,512.38	72,154.51	81,284.93	210,951.82	-	-	210,951.82
Segment results / Profit before tax	15,792.98	39,423.34	8,634.57	63,850.89	-	-	63,850.89
Segment assets	645,579.04	817,671.91	12,890.07	1,476,141.02	3,651.71	-	1,479,792.73
Segment liabilities	495,016.88	633,501.97	18,396.81	1,146,915.66	4,871.20	-	1,151,786.86
Other disclosures							
Depreciation and amortization	32.53	49.39	15.33	97.25	-	-	97.25
Capital expenditure	18.49	64.34	94.42	177.25	-	-	177.25

(₹ in lakh)

For the year ended 31 st March, 2023	Reportable segments						Total
	Structured Products and Other Lending	Commercial real estate	Treasury and other investments	Total segments	Unallocated	Adjustments and eliminations	
Revenue							
External revenue	32,381.45	50,188.21	8,309.31	90,878.97	-	-	90,878.97
Inter-segment revenue	-	-	37,005.78	37,005.78	-	-	37,005.78
Total Revenue	32,381.45	50,188.21	45,315.09	127,884.75	-	-	127,884.75
Segment results / Profit before tax	12,573.05	27,297.71	5,841.90	45,712.66	-	-	45,712.66
Segment assets	591,084.85	615,590.09	10,055.94	1,216,730.87	3,052.91	-	1,219,783.78
Segment liabilities	463,461.07	467,447.20	4,564.42	935,472.68	4,649.91	-	940,122.58
Other disclosures							
Depreciation and amortization	97.24	108.00	3.30	208.54	-	-	208.54
Capital expenditure	9.93	63.54	0.17	73.64	-	-	73.64



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 44 INTEREST IN ASSOCIATE AND JOINT VENTURE

Name of entity	Relationship (Associate/ Joint Venture)	Principal place of business	Accounting method	Ownership interest	
				As at 31 st March, 2024	As at 31 st March, 2023
Phoenix ARC Private Limited	Associate	Mumbai	At cost	30.00%	30.00%

NOTE 45 DISAGGREGATION OF REVENUE

The management determines that the segment information reported under note 42-segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115- revenue from contract with customers. Hence, no separate disclosures of disaggregated revenues are reported.

NOTE 46 LEASE DISCLOSURES

OPERATING LEASE AS LESSEE:

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases:

- exemption related to short-term leases and
- exemption related to leases of low value assets

Accordingly, rent payment to holding/fellow Subsidiary Company for sharing of premises are recognized in Statement of profit and Loss under the head "Rent and Electricity Expenses" amounting to ₹537.69 lakh (Previous year- ₹ 507.94 lakh).

NOTE 47A. LONG TERM CONTRACTS

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses, if any on such long term contracts has been made in the books of accounts.

NOTE 47B.

The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

NOTE 47C.

The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 47D.

The title deeds of immovable properties included in property, plant and equipment and intangible assets are held in the name of the Company. The Company has not revalued any of its property, plant and equipment and intangible assets.

NOTE 47E.

The Company has obtained various borrowings from banks/ FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/ FI are in agreement with the books. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The company is not declared as willful defaulter by any bank or financial Institution or other lender as at 31st March, 2024.

NOTE 47F.

- a) The Company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries)
 - (II) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes

to the financial statements for the year ended 31st March, 2024

(b) The Company has not received any fund from any party(s) (funding party) with the understanding that the Company shall:

- (I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("ultimate beneficiaries")
- (II) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 47G.

No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year 31st March, 2024.

NOTE 47H.

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

NOTE 47I

The Company has complied with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. There are no scheme of arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at 31st March, 2024.

NOTE 47J.

There are no transactions that are not recorded in the books of accounts which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

NOTE 47K.

No crypto/ virtual currency was traded/ invested during the year. No deposits/advances were received from any person for the purpose of trading/investing in crypto currency during the year.

NOTE 48 SEBI DISCLOSURE

48.01. INITIAL DISCLOSURE IN TERMS OF CHAPTER XII OF CIRCULAR SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10 2021 (AS UPDATED AS ON 07TH JULY, 2023) -

S No.	Particulars	Details
1	Name of the company	Kotak Mahindra Investments Limited
2	CIN	U65900MH1988PLC047986
3	Outstanding borrowing of company as on 31 st March, 2023	₹ 11,358.39 Crore
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	NCD: CRISIL AAA/ Stable NCD Tier II: CRISIL AAA/Stable and ICRA AAA CP: CRISIL A1+, ICRA A1+ and IND A1+ MLD: CRISIL PP-MLD AAAR/Stable"
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange

The Company confirms that we are a Large Corporate as per the applicability criteria given under the chapter XII of SEBI Operational circular dated 10th August, 2021 as amended on 07th July 2023.

Signatories name

Rajeev Kumar	Jay Joshi
Company Secretary	Chief Financial Officer

Date : 29th April, 2024



Notes

to the financial statements for the year ended 31st March, 2024

48.02. ANNUAL DISCLOSURE TO BE MADE BY AN ENTITY IDENTIFIED AS LARGE ENTITIES UNDER SEBI CIRCULAR NO. SEBI/HO/DDHS/POD1/P/CIR/2023/119 DATED 10TH AUGUST, 2021 (UPDATED AS ON 07TH JULY, 2023) (ANNEX- XII- B2)

S No.	Particulars	Details
1	Name of the company	Kotak Mahindra Investments Limited
2	CIN	U65900MH1988PLC047986
3	Report filed for FY (T)	2023-2024
4	Details of Current Block:	
i)	3-year block period (Specify financial years)	FY -2021-2022, FY- 2022-2023, FY 2023-34
ii)	Incremental borrowing done in FY (T) (a)	₹ 5,216.81 Crore
iii)	Mandatory borrowing to be done through debt securities in FY (T) (b)& (25% of a)	₹ 1,304.20 Crore
iv)	Actual borrowing done through debt securities in FY (T) (c.)	₹ 4,356 Crore
v)	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T). (d)	NIL
vi)	Quantum of (d), which has been met from (c) (e)	NIL
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)}(f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NIL
5	Details of penalty to be paid, if any, in respect to previous block	
i)	3-year block period (Specify financial years)	FY -2021-2022, FY- 2022-2023, FY 2023-34
ii)	Amount of fine to be paid for the block, if applicable Fine& 0.2% of {(d)-(e)}	NIL

For Kotak Mahindra Investments Limited

Signatories name

Rajeev Kumar	Jay Joshi
Company Secretary	Chief Financial Officer

Date : 03rd May, 2024

48.03. DISCLOSURES UNDER LISTING AGREEMENT FOR DEBT SECURITIES

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

Debenture Trustees:

IDBI Trusteeship Services Ltd.
 Asian Building, Ground Floor,
 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
 Tel. : 022-40807050
 Fax : 022-40807021
 Email: jimit@idbitrustee.com
 Website: www.idbitrustee.com

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

Related Party transactions (refer note 36)

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are Interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

Notes

to the financial statements for the year ended 31st March, 2024

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

Asset cover

The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 10.26 lakh (gross value) and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) with an asset cover ratio of minimum 1.00 time value of the debentures during the tenure of the debentures. The assets of the Company provide coverage of 1.29 times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed.

48.04 DISCLOSURES UNDER LISTING AGREEMENT FOR DEBT SECURITIES

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

S No.	Particulars	Ratio
a)	Debt Equity Ratio*	3.47:1
b)	Debt Service Coverage Ratio	Not applicable
c)	Interest Service Coverage Ratio	Not applicable
d)	Outstanding Redeemable Preference Shares(Quantity and value)	Nil
e)	Capital redemption reserve/ Debenture redemption reserve	Capital redemption reserve: ₹1,003.85 lakh Debenture redemption reserve is not required in respect of privately placed debentures in terms of rule 18(7)(b)(ii) of Companies(Share capital and debentures) Rules, 2014
f)	Net Worth	₹ 3,28,005.87 lakh
g)	Net Profit after Tax	₹ 47,496.21 lakh
h)	Earning per share	Basic & Diluted- ₹ 844.74
i)	Current Ratio	1.23:1
j)	Long term debt to working capital ratio	7.07:1
k)	Bad Debt to account receivable ratio	Not Applicable
l)	Current Liability Ratio	38.16%
m)	Total Debt to Total assets*	76.98%
n)	Debtors Turnover	Not Applicable
o)	Inventory Turnover	Not Applicable
p)	Operating Margin(%)*	45.13%
q)	Net profit Margin(%)*	33.36%
r)	Sector Specific equivalent ratios such as	
(i)	Stage III ratio*	0.38%
(ii)	Provision coverage Ratio*	68.28%
(iii)	LCR Ratio	107.78%
(iv)	CRAR	26.94%

*Formula for Computation of Ratios are as follows :-

- (i) Debt Equity Ratio (Debt Securities+Borrowing other than Debt Securities+Subordinate Liabilities)/(Equity Share Capital+Reserve and Surplus)
- (ii) Total Debt to Total assets (Debt Securities+Borrowing other than Debt Securities+Subordinate Liabilities)/Total assets
- (iii) Operating Margin (Profit before tax+Impairment on financial instruments)/Total Income
- (iv) Net profit Margin Profit after tax/Total Income
- (v) Stage III ratio Gross Stage III assets/Total Gross advances and credit Substitutes
- (vi) Provision coverage Ratio Impairment loss allowance for Stage III/Gross Stage III assets



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49 DISCLOSURES AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI

NOTE 49.01 CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR) *

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	CRAR (%)	26.94%	28.61%
2.0	CRAR - Tier I capital (%)	26.05%	27.32%
3.0	CRAR - Tier II capital (%)	0.89%	1.29%
4.0	Amount of subordinated debt raised as Tier-II capital (₹ lakh)	7,073.69	11,117.88
5.0	Amount raised by issue of perpetual debt instruments (₹ lakh)	-	-

*For the purpose of calculating Capital Risk Adequacy Ratio (CRAR), Reserve Bank of India (RBI) vide their letter dated January 7, 2021 directed Company to include balance in current account with Kotak Mahindra Bank Limited (Kotak Bank) in 'Receivable from Group Companies' instead of 'Bank Balances'. Company has represented to RBI to reconsider this direction as current account is maintained for carrying out normal banking operation in ordinary course of business. Pending decision on its representation, company has included balance in current account with Kotak Bank in 'Bank Balances'.

NOTE 49.02 INVESTMENTS

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	Value of investments		
1.1	Gross value of investments:		
i	In India	218,507.87	249,266.83
ii	Outside India,	-	-
1.2	Provisions for depreciation:		
i	In India	(12.22)	(50.56)
ii	Outside India,	-	-
1.3	Net value of investments		
i	In India	218,495.65	249,216.27
ii	Outside India,	-	-
2.0	Movement of provisions held towards depreciation on investments		
2.1	Opening balance	50.56	156.55
2.2	Add : Provisions made during the year	2.79	15.86
2.3	Less : Write-off / write-back of excess provisions during the year	(41.13)	(121.85)
2.4	Closing balance	12.22	50.56

NOTE 49.03 DERIVATIVES

49.03.1. Forward rate agreement / Interest rate swap

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1	The notional principal of swap agreements	35,000.00	35,000.00
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the derivative liability	86.11	94.93

Notes

to the financial statements for the year ended 31st March, 2024

49.03.2. Exchange traded Interest Rate(IR) derivatives

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
2	Notional principal amount of exchange traded IR derivatives outstanding	-	-
3	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
4	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

49.03.3. Disclosures on risk exposure in derivatives

The Company did not have any open interest in derivative contracts during the current year.

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company evaluates all the risks inherent in the transaction viz., counter party risk, market risk, operational risk, basis risk etc.
- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who have banking relationship with the Company. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.

49.03.4. Quantitative disclosures

(₹ in lakh)

S No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1.0	Derivatives (notional principal amount)		
	For hedging	-	-
2.0	Marked to market positions		
i	Assets(+)	-	-
ii	Liability(-)	-	-
3.0	Credit exposure	-	-
4.0	Unhedged exposures	-	-



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49.04 DISCLOSURES RELATING TO SECURITISATION

49.04.1. Outstanding amount of securitized assets as per books of SPVs sponsored by NBFC and amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR).

		(₹ in lakh)
S No.	Particulars	As at 31 st March, 2024
1.0	No of SPVs sponsored by the NBFC for securitization transactions*	-
2.0	Total amount of securitized assets as per books of the SPVs sponsored	-
3.0	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-
3.1	Off-balance sheet exposures	
	First loss	-
	Others	-
3.2	On-balance sheet exposures	
	First loss	-
	Others	-
4.0	Amount of exposures to securitization transactions other than MRR	-
4.1	Off-balance sheet exposures	
i	Exposure to own securitizations	
	First loss	-
	Others	-
ii	Exposure to third party securitizations	
	First loss	-
	Others	-
4.2	On-balance sheet exposures	
i	Exposure to own securitizations	
	First loss	-
	Others	-
ii	Exposure to third party securitizations	
	First loss	-
	Others	-

* Only the SPVs relating to outstanding securitization transactions may be reported here

49.04.2. Details of assignment transactions undertaken by applicable NBFCs

		(₹ in lakh)	
S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	No. of accounts	-	-
2.0	Aggregate value (net of provisions) of accounts sold (₹ Lakh)	-	-
3.0	Aggregate consideration (₹ Lakh)	-	-
4.0	Additional consideration realized in respect of accounts transferred in earlier years (₹ Lakh)	-	-
5.0	Aggregate gain / loss over net book value (₹ Lakh)	-	-

Notes

to the financial statements for the year ended 31st March, 2024

49.04.3. Details of financial assets sold to securitisation/reconstruction Company for asset reconstruction.

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	No. of accounts	-	-
2.0	Aggregate value (net of provisions) of accounts sold to RC/SC (₹ Lakh)	-	-
3.0	Aggregate consideration (₹ Lakh)	-	-
4.0	Additional consideration realized in respect of accounts transferred in earlier years (₹ Lakh)	-	-
5.0	Aggregate gain / loss over net book value (₹ Lakh)	-	-

49.04.4. Details of non-performing financial assets purchased/sold - Nil (Previous year: Nil)

NOTE 49.05 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at 31st March, 2024

(₹ in lakh)

Particulars	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	5,690.73	343.54	7,558.45	14,030.27	14,207.02	97,737.29	170,617.42	755,131.17	101,444.56	3,653.09	1,170,413.54
Investments	135,384.72	122.12	1,493.52	744.39	1,777.02	2,621.25	10,235.71	50,916.17	4,790.00	10,410.75	218,495.65
Borrowings	1,499.29	12,482.44	20,069.89	14,156.98	62,544.60	139,535.76	177,131.87	605,816.60	105,950.79	-	1,139,188.23
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at 31st March, 2023

(₹ in lakh)

Particulars	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	2,685.12	274.33	3,375.72	7,756.50	66,096.02	81,566.39	136,298.41	542,335.42	92,533.29	617.72	933,538.92
Investments	199,014.07	-	76.86	73.66	10,911.76	3,030.18	17,821.01	8,557.06	2,400.00	7,331.67	249,216.27
Borrowings	10,587.74	490.51	24,947.90	41,508.32	59,072.65	53,547.45	329,875.87	325,837.47	82,328.48	-	928,196.39
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes:

(i) In computing the above information, the management has made certain estimates, assumptions and adjustments which are also used for regulatory submission.

(ii) Non cash items like adjustments on account of effective interest rate, expected credit loss etc have been adjusted in time bucket of Over 5 Years.



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49.06 EXPOSURES

49.06.1. Exposure to real estate sector

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	Direct exposure		
1.1	Residential mortgages:	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
1.2	Commercial real estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include NonFund Based (NFB) limits;**	893,384.49	628,294.04
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
i	Residential,		
ii	Commercial real estate.		
2.0	Indirect exposure		
2.1	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
2.2	Investment in real estate venture funds	-	-
Total		893,384.49	628,294.04

** Includes unsecured exposure to real estate sector of ₹ 9,858.00 lakh (Previous year- ₹ 7,016.33 lakh)

49.06.2. Exposure to capital market

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	47,935.91	12,016.56
1.2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	24,720.47	24,525.35
1.3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	2,096.45
1.4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
1.5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
1.6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	1,702.70	41,739.04
1.7	Bridge loans to companies against expected equity flows / issues	-	-
1.8	All exposures to venture capital funds (both registered and unregistered)	23,158.18	689.71
Total		97,517.26	81,067.11

49.06.3. Financing of parent company products : Nil (Previous year: Nil)

Notes

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49.06.4. Disclosure in respect of exposure where Single Borrower Limit (SBL) / Group Borrower Limit (GBL) prescribed by RBI has been exceeded : Nil (Previous year Nil)

49.06.5. Unsecured Advances:

The amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral – Nil (Previous year Nil)

For other unsecured advances, refer note 5

NOTE 49.07 REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS: NIL

NOTE 49.08 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS: ₹ 11,800 INCLUDING TAXES (PREVIOUS YEAR: NIL) (REFER NOTE 55.01.2)

NOTE 49.09 RELATED PARTY TRANSACTIONS

49.09.1. Details of all material transactions with the related parties

Refer Note No. 36

49.09.2. Policy on dealing with Related Party transaction:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year. All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

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

NOTE 49.10 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Instrument	Rating	Effective Date	Valid Upto
CRISIL	Long Term Rating for Non-Convertible Debentures aggregating ₹ 79.78 billion	"CRISIL AAA/stable"	11-Mar-24	Till Date
CRISIL	Long Term Rating for Bank Lines (Overdraft) aggregating ₹ 55 billion	"CRISIL AAA/stable"	11-Mar-24	Till Date
CRISIL	Long Term Rating for Subordinated Debt aggregating ₹ 2 billion	"CRISIL AAA/stable"	11-Mar-24	Till Date
CRISIL	Long Term Rating for Principal Protected Market Linked Debentures aggregating ₹ 10 billion	CRISIL PPMLD AAA/ Stable	11-Mar-24	Till Date
CRISIL	Short Term Debt Programmed (including Commercial Paper) for ₹ 70 billion	"CRISIL A1+"	11-Mar-24	Till Date
CRISIL	Short Term Debt Programmed (including Commercial Paper) for ₹ 35 billion	"CRISIL A1+"	11-Mar-24	Till Date
ICRA	Long Term Rating for Subordinated Debt aggregating ₹ 2 billion	ICRA AAA/stable"	21-Mar-23	
ICRA	Short Term Debt Programmed (including Commercial Paper) for ₹ 70 billion	"ICRA A1+"	21-Mar-23	Throughout the life
India Rating	Short Term Debt Programmed (including Commercial Paper) for ₹ 80 billion	India Rating A1+	21-Mar-23	Till Date



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49.11 REMUNERATION OF DIRECTORS

The details of transaction with Non-Executive Independent Directors are as below:

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Directors' sitting fees	93.45	29.30
Commission to directors	71.25	27.50

NOTE 49.12 PROVISIONS AND CONTINGENCIES

Break up of provisions and contingencies (including write – offs; net of write-backs) is shown under the head expenditure in Statement of Profit and Loss.

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Provisions/(write back) for depreciation on investment measured at FVOCI	-	-
Provisions/(write back) for depreciation on investment measured at Amortised cost	(38.34)	(106.00)
Provision made towards Income tax (including deferred tax)	16,354.68	11,711.21
Other provisions and contingencies (with details)	-	-
ECL on stage 1 and 2 Loans and other financial assets	1,782.15	(1,800.59)
ECL on Stage 3 Loans and other financial assets	(1,349.19)	493.41

NOTE 49.13 DRAW DOWN FROM RESERVES

There was no draw down from reserves during the financial year. (Previous year: Nil)

NOTE 49.14 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

49.14.1. Concentration of advances

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Total advances to twenty largest borrowers/customers	513,335.76	386,768.85
Percentage of advances to twenty largest borrowers/customers to total exposure of the Company on borrowers / customers	41%	39%

49.14.2. Concentration of exposure

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Total exposure to twenty largest borrowers/customers	560,619.91	422,896.63
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	38%	37%

49.14.3. Concentration of NPAs

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Total exposure to top four NPA accounts	4,740.45	8,583.07

Notes

to the financial statements for the year ended 31st March, 2024

49.14.4. SECTOR-WISE NPAS %AGE TO TOTAL ADVANCES IN THAT SECTOR*

Particulars	(₹ in lakh)	
	As at 31 st March, 2024**	As at 31 st March, 2023**
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.40%	1.02%
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	0.33%	1.83%

* Financial assets in Stage 3 as per Ind AS 109 are classified as NPA

** Represents Gross NPA to Gross Advances in the respective sector

NOTE 49.15 MOVEMENT OF NPAS*

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Net NPAs to Net Advances (%)	0.12%	0.57%
Movement of NPAs (Gross)		
Opening balance	11,857.98	8,871.05
Additions during the year	357.02	4,521.10
Reductions during the year	(7,458.45)	(1,534.17)
Closing balance	4,756.55	11,857.98
Movement of Net NPAs		
Opening balance	5,552.39	3,847.07
Additions during the year	(358.94)	2,798.23
Reductions during the year	(3,684.66)	(1,092.91)
Closing balance	1,508.79	5,552.39
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	6,305.59	5,023.97
Provisions made during the year	715.96	1,722.88
Write-off / write-back of excess provisions	(3,773.79)	(441.26)
Closing balance	3,247.76	6,305.59

* Financial assets in Stage 3 as per Ind AS 109 are classified as NPA

NOTE 49.16 OVERSEAS ASSETS: NIL (PREVIOUS YEAR NIL)

NOTE 49.17 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS): NIL (PREVIOUS YEAR: NIL)



Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49.18 CUSTOMER COMPLAINTS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	4	5
No. of complaints redressed during the year	4	5
No. of complaints pending at the end of the year	-	-

NOTE 49.19 SCHEDULE TO THE BALANCE SHEET

Liabilities side

S No.	Particulars	(₹ in lakh)	
		Amount Outstanding	Amount Overdue
1.0	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
a	Debentures: secured #	759,579.04	-
	Debentures: unsecured #	20,238.84	-
b	Deferred credits	-	-
c	Terms loans #	198,541.40	-
d	Inter-corporate loans and borrowing	12,895.34	-
e	Commercial papers	75,630.91	-
f	Public deposits ^a	-	-
g	Other loans – secured overdraft facility from bank #	72,302.70	-

Secured by way of pledge of securities and/or mortgage of property and/ or hypothecation of receivables and/ or undertaking to create a security.

Assets Side

S No.	Particulars	(₹ in lakh)	
		Amount Outstanding	
2.0	Break-up of loans and advances including bills receivables (other than those included in 3.0) below:		
a	Secured	1,034,218.43	
b	Unsecured	144,873.53	
3.0	Break-up of leased assets and stock on hire and other assets counting towards AFC activities		
i	Leased assets including lease rentals under sundry debtors		
a	Financial lease	-	
b	Operating lease	-	
ii	Stock on hire including hire charges under sundry debtors		
a	Assets on hire	-	
b	Repossessed assets	-	
iii	Other loans counting towards AFC activities		
a	Loans where assets have been repossessed	-	
b	Loans other than (a) above	-	
4.0	Break-up of investments:		
	Current investments:		
4.1	Quoted:		
i	Shares:		
a	Equity	1,815.14	

Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

S No.	Particulars	Amount Outstanding
b	Preference	-
ii	Debentures and bonds	13,788.73
iii	Units of mutual funds	-
iv	Government securities	119,032.64
v	Others (please specify)	-
4.2	Unquoted:	
i	Shares:	
a	Equity	-
b	Preference	-
ii	Debentures and bonds	2,719.59
iii	Units of mutual funds	-
iv	Government securities	-
v	Treasury Bills	14,951.09
4.3	Long term investments:	
4.3	Quoted:	
i	Shares:	
a	Equity	-
b	Preference	-
ii	Debentures and bonds	2,119.87
iii	Units of mutual funds	-
iv	Government securities	-
v	Others (please specify)	-
4.4	Unquoted:	
i	Shares:	
a	Equity	6,100.51
b	Preference	0.14
ii	Debentures and bonds	53,654.39
iii	Units of mutual funds	-
iv	Government securities	-
v	Others - venture funds	4,325.78

(₹ in lakh)

S No.	Particulars	Amount Net of provisions		
		Secured	Unsecured	Total
5.0	Borrower group-wise classification of assets financed as in (2) and (3) above			
5.1	Related parties **			
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	Other related parties	-	-	-
5.2	Other than related parties	1,027,814.14	142,599.40	1,170,413.54
	Total	1,027,814.14	142,599.40	1,170,413.54

** As per Indian Accounting Standard issued by MCA (please see note b)



Notes

to the financial statements for the year ended 31st March, 2024

(₹ in lakh)

S No.	Particulars	Amount Net of provisions	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6.0	Investor group-wise classification of all investments (current and long term) in the shares and securities (both quoted and unquoted)		
6.1	Related parties **		
a	Subsidiaries	-	-
b	Companies in the same group	6,100.50	6,100.50
c	Other related parties	-	-
6.2	Other than related parties	212,475.12	212,395.15
	Total	218,575.62	218,495.65

** As per Indian Accounting Standard issued by MCA (please see Note b)

(₹ in lakh)

S No.	Particulars	Amount
7.0	Other information:	
i	Gross non-performing assets[®]	
a	Related parties	-
b	Other than related parties	4,756.55
ii	Net non-performing assets[®]	
a	Related parties	-
b	Other than related parties	1,508.79
iii	Assets acquired in satisfaction of debt	

[®] NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due and other qualitative factors has been considered as default for classifying a financial instrument as credit impaired.

Notes:

a) As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

b) All Accounting Standards and Guidance Notes issued by MCA are applicable including for valuation of investments and other assets as assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 49.20 DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA ON LIQUIDITY RISK UNDER LIQUIDITY RISK MANAGEMENT FRAMEWORK

49.20.1 Liquidity Coverage Ratio (LCR)

S. No.	Particulars	Average Q1 2023-24		Average Q2 2023-24		Average Q3 2023-24		Average Q4 2023-24	
		Total Unweighted Value	Total Weighted Value						
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	1,509.83	1,509.83	1,355.96	1,355.96	1,437.49	1,437.49	1,543.68	1,543.68
Cash Outflow:									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	362.12	416.44	495.59	569.93	294.66	338.86	218.21	250.94
4	Secured wholesale funding	147.14	169.21	75.79	87.16	278.46	320.23	305.58	351.42
5	Additional requirements, of which:								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	11.18	12.86	16.18	18.61	31.44	36.15	48.47	55.74
7	Other contingent funding obligations	1,422.54	1,635.92	1,312.81	1,509.74	1,312.31	1,509.15	1,180.00	1,357.00
8	Total Cash Outflows	1,942.98	2,234.43	1,900.37	2,185.44	1,916.87	2,204.39	1,752.26	2,015.10
Cash Inflows:									
9	Secured lending	363.39	272.54	896.74	672.56	786.56	589.92	527.13	395.35
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows:	284.20	213.15	139.37	104.53	190.85	143.14	249.98	187.49
12	Total Cash Inflow	647.59	485.69	1,036.11	777.09	977.41	733.06	777.11	582.84
13	Total HQLA		1,509.83		1,355.96		1,437.49		1,543.68
14	Total net cash outflows		1,748.73		1,408.34		1,471.33		1,432.26
15	Liquidity Coverage Ratio % *		86.34%		96.28%		97.70%		107.78%

* Reserve Bank of India (RBI) has made maintenance of Liquidity Coverage Ratio (LCR) in form of High Quality Liquid Assets (HQLA) like government securities, highly rated non-financial corporate bonds and listed equity investments applicable from 1st December, 2020. Prior to 1st December, 2020, the Company was maintaining sufficient liquid surplus to meet its short-term liquidity requirements in form of Bank Fixed Deposits and Overnight/Liquid Mutual Funds.

49.20.2. Qualitative disclosure around LCR

Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of Company to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

HQLA has been divided into two parts i.e. Part A: Assets to be included as HQLA without any haircut i.e. cash, government securities etc. and Part B: Assets to be considered for HQLA with haircuts (ranging 15% to 50%) which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off balance sheet commitments by the outflow run-off rates. Cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in as prescribed by the regulator.



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The LCR requirement has been introduced in a phased manner with Company required to maintain minimum LCR of 30% from 1 Dec 2020 eventually increasing to 100% by 1 December 2024. The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. Apart from LCR, company also uses various stock liquidity indicators to measure and monitor the liquidity risk in terms of funding stability, concentration risk etc.

Asset Liability Committee (ALCO) of the Company is the primary governing body for liquidity risk management supported by Risk Management Department (RMD), finance and ALCO support Group. Treasury is the central repository of funds within the Company and is vested with the responsibility of managing liquidity risk within the risk appetite of the Company.

49.20.3. Funding concentration based on significant counterparty (both deposits and borrowings)

S No.	Number of Significant Counterparties*	Amount (₹ in lakh)	% of Total deposits	% of Total Liabilities
1	18	799,949.17	0.00%	69.45%

* A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities

49.20.4. Top 20 large deposits: Nil (Previous year: Nil)

49.20.5. Top 10 borrowings

S No.	Particulars	Amount
1	Top 10 borrowings	659,949.17
2	% age of total borrowings	58.10%

49.20.6. Funding Concentration based on significant instrument/product

As at 31st March, 2024

S No.	Name of Significant Instrument / Product*	Amount	% of Total Liabilities**
1	Non-Convertible Debenture	759,579.04	65.95%
2	Commercial Paper	75,630.91	6.57%
3	Bank Borrowing	270,844.10	23.52%
4	Inter Corporate Deposit	12,895.34	1.12%
5	Subordinated Debt	20,238.84	1.76%

* A "significant instrument/product" is defined as a single instrument/product or group of similar instruments/products which in aggregate amount to > 1% of total liabilities.

** Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equities and reserves/surplus.

49.20.7. Stock Ratios:

S No.	Instrument/Product	% of Total Public Funds*	% of Total Liabilities	% of Total Assets
1	Commercial papers	6.64%	6.57%	5.11%
2	Non convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
3	Other short term liabilities	6.35%	6.28%	4.89%
4	Inter corporate deposits (short term borrowings)	0.23%	0.23%	0.18%

*Public funds are considered as total of borrowings from NCD, CP, Bank Loans and ICDs.

Notes

to the financial statements for the year ended 31st March, 2024

49.20.8. Institutional set-up for liquidity risk management

The Company's ALCO monitors asset liability mismatches to reduce imbalances on its balance sheet. The Company continuously monitors liquidity in the market; and as a part of its ALM strategy, the Company maintains a liquidity buffer to reduce this risk. In a normal economic scenario liquidity buffer (primarily in the form Bank deposits, MFs) of 1 to 2 months of debt repayment is maintained by the Company. During the year, amidst pandemic, the Company maintained significantly higher amount of liquidity buffer to safeguard itself against any potential significant liquidity disruption event.

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has come up with guidelines on liquidity risk framework for NBFCs. It covers various aspects of liquidity risk management in NBFCs such as granular level classification of buckets in structural liquidity statement and tolerance limits thereupon, liquidity risk management tools and principles. The Company has formulated a policy on Liquidity Risk Management Framework which covers liquidity risk management, maintaining LCR, stress testing, contingency funding plan, maturity profiling and liquidity risk measurement – stock approach, interest rate risk and liquidity risk monitoring tools.

NOTE 50 Disclosures as required by the master Direction –Monitoring of frauds in NBFCs issued by RBI dated 29th September, 2016

There are no cases which has been identified as Fraud.

NOTE 51 DISCLOSURE REGARDING RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS

Particulars	(₹ in lakh)	
	As at 31 st March, 2024	As at 31 st March, 2023
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	-	-
Amount where asset classification benefits is extended	-	-
Provision created	-	-
Less: Provisions adjusted during the against slippages	-	-
Residual provisions	-	-

Type of borrower	Number of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities (C)	Additional funding sanctioned, if any, including between invocation of plan & implementation (D)	Increase in provisions on account of the implementation of the resolution plan (E)
					(E)
Personal loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

NOTE 52 Disclosure under guidance note on implementation of Indian Accounting Standards by Non-Banking Financial Companies and Asset Reconstruction Companies

52.01: NUMBER OF ACCOUNTS, TOTAL AMOUNT OUTSTANDING AND THE OVERDUE AMOUNTS OF ACCOUNTS THAT ARE PAST DUE BEYOND 90 DAYS BUT NOT TREATED AS IMPAIRED - NIL



Notes

to the financial statements for the year ended 31st March, 2024

52.02: COMPARISON BETWEEN PROVISIONS REQUIRED UNDER PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING (IRACP) AND IMPAIRMENT ALLOWANCES AS PER IND AS 109

As at 31st March, 2024

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard *	Stage 1	1,207,166.06	3,944.20	1,203,221.86	4,759.34	(815.14)
	Stage 2	39,445.54	1,498.66	37,946.88	157.65	1,341.01
Subtotal		1,246,611.60	5442.86	1,241,168.74	4,916.99	525.87
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	2,176.30	667.51	1,508.80	1,000.00	(332.49)
Loss	Stage 3	2,580.25	2,580.25	-	776.64	1,803.61
Subtotal for NPA		4,756.55	3,247.76	1,508.80	1,776.64	1,471.12
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	86,914.03	26.35	86,887.68	-	26.35
Total	Stage 1	1,294,080.09	3,970.55	1,290,109.54	4,759.34	(788.79)
	Stage 2	39,445.54	1,498.66	37,946.88	157.65	1,341.01
	Stage 3	4,756.55	3,247.76	1,508.80	1,776.64	1,471.12
		1,338,282.18	8,716.97	1,329,565.22	6,693.63	2,023.33

As at 31st March, 2023

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	944,673.29	1,900.97	942,772.32	3,673.19	(1,772.22)
	Stage 2	23,948.41	1,816.45	22,131.96	832.40	984.05
Subtotal		968,621.70	3,717.42	964,904.28	4,505.59	(788.17)
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,877.26	807.68	2,069.58	410.23	397.45
Doubtful	Stage 3	4,642.24	1,535.10	3,107.14	1,485.63	49.47
Loss	Stage 3	4,338.48	3,962.81	375.67	1,943.16	2,019.65
Subtotal for NPA		11,857.98	6,305.59	5,552.39	3,839.02	2,466.57
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	33,794.76	7.97	33,786.79	-	7.97
Total	Stage 1	978,468.05	1,908.94	976,559.11	3,673.19	(1,764.25)
	Stage 2	23,948.41	1,816.45	22,131.96	832.40	984.05
	Stage 3	11,857.98	6,305.59	5,552.39	3,839.02	2,466.57
		1,014,274.44	10,030.98	1,004,243.46	8,344.61	1,686.37

* Includes fair valuation impact on debt securities classified as Fair value through Profit & Loss (FVTPL)

NOTE 53

The company has not transferred and acquired any loans directly to/from any lenders defined in RBI Master Direction on Transfer of Loan Exposure Directions, 2021

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to the financial statements for the year ended 31st March, 2024

NOTE 54 Disclosure required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on notes to accounts as per Scale Based Regulations

NOTE 54.01 EXPOSURES

NOTE 54.01.1. Exposure to Real Estate Sector

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1	Direct Exposure		
1.1	Residential mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
1.2	Commercial real estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	893,384.49	628,294.04
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
i	Residential		
ii	Commercial real estate		
2	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector		893,384.49	628,294.04

NOTE 54.01.2. Exposure to Capital Market

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	47,935.91	12,016.56
1.2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	24,720.47	24,525.35
1.3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	2,096.45
1.4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
1.5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
1.6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	1,702.70	41,739.04
1.7	Bridge loans to companies against expected equity flows / issues	-	-
1.8	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual fundsAll exposures to venture capital funds (both registered and unregistered)	-	0
1.9	Financing to stockbrokers for margin trading	-	-
1.10	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	23,158.18	689.71
Total exposure to capital market		97,517.26	81,067.11



Notes

to the financial statements for the year ended 31st March, 2024

54.01.3 Sectoral Exposure

(₹ in lakh)

Particulars	As at 31 st March, 2024			As at 31 st March, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
i. Commercial Real Estate	893,378.11	2,803.49	0.31%	628,294.04	8,097.46	1.29%
ii. NBFCs	2,89,741.72	-	0.00%	264,142.01	-	0.00%
Total of Services	1,183,119.83	2,803.49	0.24%	892,436.05	8,097.46	0.91%
4. Personal Loans						
i. Advances to Individuals against Shares, Bonds	250.36	250.36	100%	5,319.17	2,308.67	43.40%
ii. Other Retail Loans	1,702.70	1,702.70	100%	1,454.96	1,451.86	99.79%
Total of Personal Loans	1,953.06	1,953.06	100%	6,774.13	3,760.53	55.51%
5. Others, if any (please specify)						
i. Structured Advances	303,806.89	-	0.00%	255,159.60	-	0.00%
ii. Employee Loan	6.38	-	0.00%	11.73	-	0.00%
Total of Other Loans	303,813.27	-	0.00%	255,171.33	-	0.00%

54.01.4 Intra-group Exposure

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
i) Total amount of intra-group exposures	-	-	-
ii) Total amount of top 20 intra group exposures	-	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-	-

54.01.5 Unhedged foreign currency exposure - Nil

Notes

to the financial statements for the year ended 31st March, 2024

Related Parties/Items	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Fellow Subsidiaries		Total		
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	
-Kotak Mahindra Bank Limited																	
Borrowings																	
A. Outstanding at the year end	30,516,47	50,167,81	-	-	-	-	-	-	-	-	-	-	-	-	30,516,47	50,167,81	50,167,81
B. Maximum outstanding during the year	50,167,81	50,167,81	-	-	-	-	-	-	-	-	-	-	-	-	50,167,81	50,167,81	50,167,81
Placement of deposits (Term Deposit)																	
A. Outstanding at the year end	49,88	47,10	-	-	-	-	-	-	-	-	-	-	-	-	49,88	47,10	47,10
B. Maximum outstanding during the year	130,078,17	140,645,96	-	-	-	-	-	-	-	-	-	-	-	-	130,078,17	140,645,96	140,645,96
Investments																	
A. Outstanding at the year end	-	-	-	-	6,100,50	6,100,50	-	-	-	-	-	-	-	-	6,100,50	6,100,50	6,100,50
B. Maximum outstanding during the year	-	-	-	-	6,100,50	6,100,50	-	-	-	-	-	-	-	-	6,100,50	6,100,50	6,100,50
Interest paid (on borrowing)																	
Interest received (on Fixed Deposits)																	
A. Outstanding at the year end	2,087,33	1,724,92	-	-	-	-	-	-	-	-	-	-	-	-	2,087,33	1,724,92	1,724,92
B. Maximum outstanding during the year	1,082,51	474,87	-	-	-	-	-	-	-	-	-	-	-	-	1,082,51	474,87	474,87
Balance in current account																	
Equity shares held by Kotak Mahindra Bank Limited																	
Preference shares held by Kotak Mahindra Bank Limited																	
Capital contribution from																	
Others	67,819,52	32,618,93	-	-	-	-	-	-	-	-	-	-	-	-	67,819,52	32,618,93	32,618,93
Others	56,226	56,226	-	-	-	-	-	-	-	-	-	-	-	-	56,226	56,226	56,226
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	574,51	572,61	-	-	-	-	-	-	-	-	-	-	-	-	574,51	572,61	572,61
Others	252,72	90,09	-	-	-	-	-	-	-	-	-	-	-	-	252,72	90,09	90,09
Kotak Infrastructure Debt Fund Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	335	-	335
Kotak General Insurance Company Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.58	0.38	0.58
Kotak Mahindra Life Insurance Company Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,13	7,49	6,13
Kotak Mahindra Capital Company Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,13	-	59,13
Kotak Mahindra Prime Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,94	127,12	5,94
Kotak Securities Limited																	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,196,84	18,191,33	18,191,33
BSS Microfinance Limited																	
Non convertible debentures issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,677,21	-	1,677,21
Outstanding receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.21	0.35	0.35
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,242,01	5,039,63	10,242,01
Mr. Amit Bagri																	
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	371,69	344,19	344,19
Total	102,945,20	86,258,58	-	-	6,100,50	6,100,50	-	-	6,100,50	6,100,50	-	-	-	-	30,131,40	23,366,30	139,548,79
																	116,069,57



Notes

to the financial statements for the year ended 31st March, 2024

54.03 CUSTOMER COMPLAINTS

Name of Significant Instrument / Product *	31 st March, 2024	31 st March, 2023
A) Number of complaints pending at beginning of the year	-	
B) Number of complaints received during the year	4	5
C) Number of complaints disposed during the year	4	5
- Number of complaints rejected by the NBFC	-	-
D) Number of complaints pending at the end of the year		
Maintainable complaints received by the NBFC from Office of Ombudsman		
Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
- Number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
- Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
- Number of complaints resolved after passing of awards by Office of Ombudsman against the NBFC	-	-
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

54.04 TOP FIVE GROUNDS OF COMPLAINTS RECEIVED BY THE NBFC FROM CUSTOMERS

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
March 2024					
Loans and advances	-	4	-20%	-	
Total	-	4	-20%	-	-
March 2023					
Loans and advances	-	5	400%	-	4
Total	-	5	400%	-	4

NOTE 55 Disclosure required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on notes to accounts as per Scale Based Regulations

NOTE 55.01.1 DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013 - NIL

NOTE 55.01.2 DETAILS OF PENALTIES AND STRICTURES - NIL

SEBI LODR Regulations	Quarter/FY	Submission Status	Due Date	Submission date	Date upto which fine is calculated	Delay in days	Fine (Incl. GST)
60(2)	FY 2023-24	Delayed	07.12.2023	08.12.2023	08.12.2023	1	11,800.00

BSE has levied above fine for a purported delayed submission in December 2023. After considering our submission, BSE officials have said orally that the Company should make the payment of fine amount of ₹11,800/- including taxes, then they shall take it to their waiver committee for waiver. Hence payment of the same is being made in February 2024.

Notes

to the financial statements for the year ended 31st March, 2024

NOTE 55.02 BREACH OF COVENANT - NIL

NOTE 56 Disclosure required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on notes to accounts as per Scale Based Regulations

Divergence in asset classification and provisioning

- a) The additional provisioning requirements assessed by RBI exceeds 5% of the reported profits before tax and impairment loss on financial instruments for the reference period: NIL
- b) Additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs for the reference period*

S No.	Particulars	Amount
1	Gross NPAs as on 31 st March, 2024 as reported by the NBFC	-
2	Gross NPAs as on 31 st March, 2024 as assessed by the Reserve Bank of India/ NHB	-
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on 31 st March, 2024 as reported by the NBFC	-
5	Net NPAs as on 31 st March, 2024 as assessed by Reserve Bank of India/ NHB	-
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on 31 st March, 2024 as reported by the NBFC	-
8	Provisions for NPAs as on 31 st March, 2024 as assessed by Reserve Bank of India/ NHB	-
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended 31 st March, 2024	-
11	Reported Net Profit after Tax (PAT) for the year ended 31 st March, 2024	-
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 st March, 2024 after considering the divergence in provisioning	-

NOTE 57

Previous year's figures have been regrouped / reclassified wherever necessary to conform to figures of the current period.

**For and on behalf of the Board of Directors of
Kotak Mahindra Investments Limited**

Amit Bagri
Managing Director and Chief Executive Officer
DIN: 09659093
Place: Bali

Paritosh Kashyap
Director
DIN: 07656300
Place: Mumbai

Jay Joshi
Chief Financial Officer
Membership No.: 113701
Place: Mumbai
Date: 28th May, 2024

Rajeev Kumar
Company Secretary
Membership No. A15031
Place: Mumbai



Kotak Mahindra Investments Limited
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Bandra (E), Mumbai - 400 051
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Kotak Mahindra Bank Website: www.kotak.com

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