

# Standalone Financial Highlights 2023-2024

(₹ in crore)

Financial Highlights	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Deposits	262,821	280,100	311,684	363,096	448,954
Advances	219,728	223,670	271,254	319,861	376,075
Investments	75,052	105,099	100,580	121,404	155,404
Total Assets	360,232	383,470	429,428	489,862	600,357
Net Interest Income	13,500	15,340	16,818	21,552	25,993
Fee Income	3,421	3,145	4,201	5,440	7,049
Other Non Interest Income	1,517	1,606	1,785	1,643	3,224
Operating profit	9,960	11,762	12,051	14,848	19,587
Provisions and Contingencies	2,156	2,459	690	457	1,574
Tax Provision	1,857	2,338	2,789	3,452	4,232
Net Profit	5,947	6,965	8,573	10,939	13,782
<b>Key Financial Indicators</b>					
Net Interest Margins	4.6%	4.4%	4.6%	5.3%	5.3%
Cost to Income Ratio	46%	41%	47%	48%	46%
Return on Average Assets	1.9%	1.9%	2.1%	2.5%	2.6%
Fee / NII Plus other Income	18.6%	15.7%	18.4%	19.0%	19.4%
NII / NII Plus other Income	73.2%	76.4%	73.8%	75.3%	71.7%
Capital Adequacy Ratio	17.9%	22.3%	22.7%	21.8%	20.5%
Tier I	17.3%	21.4%	21.7%	20.8%	19.2%
Gross NPA Ratio	2.3%	3.3%	2.3%	1.8%	1.4%
Net NPA Ratio	0.7%	1.2%	0.6%	0.4%	0.3%

Note: Prior year amounts have been reclassified for consistency with the current year presentation

# Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying standalone financial statements of **Kotak Mahindra Bank Limited** ('the Bank'), which comprise the Standalone Balance Sheet as at **31 March 2024**, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information ('the Standalone Financial Statements').
2. 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 Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2024 and its profit and its cash flows for the year ended on that date.

### BASIS FOR OPINION

3. We conducted our audit 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 Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules 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

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

#### Identification of and Provisioning against Non-performing Assets ('NPAs'):

Total Loans and Advances (Net of Provision) as at 31 March 2024: ₹ 376,075.27 Crores

Provision for NPAs as at 31 March 2024: ₹ 4,004.21 Crores

Refer Schedule 9, Schedule 17(C)(2) and Schedule 18(A) - Note 9 and Note 11

Key Audit Matter	How our audit addressed the key audit matter
<p>The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the 'IRAC norms') and amendments thereto which prescribes the guidelines for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors.</p> <p>The identification of NPAs is also affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision for identified NPAs is estimated based on ageing and classification of NPAs, value of security, recovery estimates etc. and is also subject to the minimum provisioning norms specified by RBI.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood the process and controls, and tested the design and operating effectiveness of key controls, including Information Technology based controls, and focused on the following: <ul style="list-style-type: none"> <li>▪ Approval of new lending facilities in accordance with the Bank's credit policies.</li> <li>▪ Performance of annual review/renewal of loan accounts.</li> <li>▪ Monitoring of credit quality which amongst other things includes the monitoring of overdue loan accounts, drawing power limit and pending security creation; and</li> <li>▪ Identification and classification of NPAs in accordance with IRAC norms, other regulatory guidelines issued by the RBI and consideration of qualitative aspects.</li> </ul> </li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
<p>As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>● Tested the Bank's process for identification of loans with default events and/ or breach of other qualitative factors, and for a sample of performing loans, independently assessed as to whether there was a need to classify such loans as NPAs.</li> <li>● On a test check basis, verified the accounts classified by the Bank as Special Mention Accounts ('SMA') in RBI's Central Repository of Information on Large Credits ('CRILC').</li> <li>● With respect to provisions recognised towards NPAs, we reperformed the provision calculations on a sample basis taking into consideration the value of security, where applicable, the IRAC norms and NPA policy of the Bank, and compared our outcome to that prepared by the management and tested relevant assumptions and judgements which were used by the management.</li> </ul>

### Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key Audit Matter	How our audit addressed the key audit matter
<p>The IT environment of the Bank is complex and involves many independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>We identified certain key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process, and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Bank for processing financial transactions, and the complexity of the IT architecture.</p> <p>As described in Note 21 of Schedule 18B to the standalone financial statements, a supervisory action was undertaken against the Bank under Section 35A of the Banking Regulation Act, 1949 by the Reserve Bank of India ('RBI') subsequent to the year end on 24 April 2024 arising from an IT examination conducted by the RBI, and the related reports containing its observations was issued by the RBI.</p>	<p>Our audit procedures with respect to this matter included the following:</p> <p>In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT environment, IT infrastructure and IT systems.</p> <p>We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Bank.</p> <p>On such 'in-scope' IT systems, we have tested key IT general controls and evaluated the same with respect to the following domains:</p> <ul style="list-style-type: none"> <li>● Program change management, which includes that program changes are moved to the production environment as per defined approvals and relevant segregation of environment is ensured.</li> <li>● User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications and its related operating system and databases in the production environment were granted only to authorized personnel.</li> <li>● Other areas under the IT control environment which includes backup management, business continuity, disaster recovery drill in-line with the bank's disaster recovery plan, incident management, batch processing and monitoring.</li> </ul> <p>We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting processes, system interfaces, system reconciliation controls and key system generated reports, as applicable.</p> <p>Where control deficiencies were identified related to internal controls over financial reporting, we tested compensating controls or performed alternative audit procedures, where necessary.</p>

**Key Audit Matter**
**How our audit addressed the key audit matter**

We evaluated the management's assessment of the observations noted by the RBI arising in their IT examination report and the impact of those observations on the standalone financial statements and on internal controls with reference to financial statements and also communicated with those charged with governance and sought their assessment of the impact of the observations.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 Standalone 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 Standalone Financial Statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

7. The accompanying Standalone Financial Statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time ('RBI Guidelines'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank'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 intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgement 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 Bank has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
  - Conclude on the appropriateness of the 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 Bank'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 Bank 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.
12. 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.
  13. 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.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year 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

15. In our opinion, The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.
16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 128 branches to examine the records maintained at the branches for the purpose of our audit.
17. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.
18. 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 purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books; except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
  - e) On the basis of the written representations received from the directors as on 31 March 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in Annexure A wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Schedule 12 (I), Schedule 17C – Note 13 and Schedule 18B - Note 15 to the Standalone Financial Statements;
  - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 (II), 12 (Va) and 12 (Vb), Schedule 17C – Note 10, Note 11 and Note 13 and Schedule 18B – Note 10 and Note 15 to the Standalone Financial Statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended 31 March 2024;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 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 Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether 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; and
    - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The dividend declared and paid during the year ended 31 March 2024 by the Bank is in compliance with Section 123 of the Act.
  - vi. Based on our examination, which included test checks, the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software, except for six accounting software having Oracle or MySQL or SQL database, where the audit trail has not been enabled at the database level to log any direct data changes. Further, the Bank has used an accounting software hosted by third-party service providers for maintaining its books of account and in the absence of service organization controls auditors' report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Based on our procedures performed, for the accounting software other than the aforesaid databases where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with.

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration Number: 301112E/ E300264

**Russell I Parera**

Partner

Membership Number: 042190

UDIN: 24042190BKFFOQ2541

Place : Mumbai

Date : 04 May 2024

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Gautam Shah**

Partner

Membership Number: 117348

UDIN: 24117348BKBZWK9832

Place : Mumbai

Date : 04 May 2024

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK MAHINDRA BANK LIMITED FOR THE YEAR ENDED 31 MARCH 2024

### REFERRED TO IN PARAGRAPH 18(g) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE

#### Independent Auditor's Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Kotak Mahindra Bank Limited ('the Bank') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Bank as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank 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 ('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 the Bank's business, including adherence to Bank'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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Standalone Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('SAs') issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those SAs 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 the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

#### Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements

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

#### Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to the 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the 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

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse LLP**  
Chartered Accountants

Firm Registration Number: 301112E/ E300264

**Russell I Parera**

Partner  
Membership Number: 042190  
UDIN: 24042190BKFFOQ2541

Place : Mumbai  
Date : 04 May 2024

For **KKC & Associates LLP**

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

**Gautam Shah**

Partner  
Membership Number: 117348  
UDIN: 24117348BKBZWK9832

Place : Mumbai  
Date : 04 May 2024

# Balance Sheet

as at 31<sup>st</sup> March, 2024

(₹ in thousands)

	Schedule	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	9,939,604	14,932,783
Employee's Stock Options (Grants) Outstanding		792,938	603,058
Reserves and Surplus	2	956,455,026	819,666,658
Deposits	3	4,489,537,451	3,630,960,526
Borrowings	4	283,680,956	234,162,684
Other Liabilities and Provisions	5	263,164,482	198,299,064
<b>Total</b>		<b>6,003,570,457</b>	<b>4,898,624,773</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	362,520,376	199,655,575
Balances with Banks and Money at Call and Short Notice	7	165,363,645	125,767,503
Investments	8	1,554,037,587	1,214,037,287
Advances	9	3,760,752,659	3,198,612,074
Fixed Assets	10	21,552,965	19,203,232
Other Assets	11	139,343,225	141,349,102
<b>Total</b>		<b>6,003,570,457</b>	<b>4,898,624,773</b>
Contingent Liabilities	12	7,172,811,816	4,556,937,357
Bills for Collection		474,677,060	446,552,442
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No. 105146W/W100621

**C S Rajan**

Chairman

DIN: 00126063

**Ashok Vaswani**

Managing Director and

Chief Executive Officer

DIN: 10227550

**Gautam Shah**

Partner

Membership No. 117348

**Shanti Ekambaram**

Deputy Managing Director

DIN: 00004889

**Uday Khanna**

Director

DIN: 00079129

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration No. 301112E/E300264

**Devang Gheewalla**

President and

Group Chief Financial Officer

Membership No. 045993

**Avan Doomasia**

Senior Executive Vice President and

Company Secretary

FCS. No. 3430

**Russell I Parera**

Partner

Membership No. 042190

Mumbai

4<sup>th</sup> May, 2024



# Profit and Loss Account

for the year ended 31<sup>st</sup> March, 2024

(₹ in thousands)

	Schedule	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>I. INCOME</b>			
Interest Earned	13	457,989,110	342,508,509
Other Income	14	102,731,007	70,830,509
<b>Total</b>		<b>560,720,117</b>	<b>413,339,018</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	198,057,109	126,989,356
Operating Expenses	16	166,788,460	137,869,937
Provisions and Contingencies (Refer Note 10 -Schedule 18 B)		58,058,724	39,086,774
<b>Total</b>		<b>422,904,293</b>	<b>303,946,067</b>
<b>III. PROFIT</b>			
Net Profit for the year (I - II)		137,815,824	109,392,951
Add: Balance in Profit and Loss Account brought forward from previous year		377,600,930	304,558,535
<b>Total</b>		<b>515,416,754</b>	<b>413,951,486</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		34,454,000	27,348,300
Transfer to Capital Reserve		-	9,900
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,250,000	1,150,000
Transfer to Investment Reserve Account		8,316,321	-
Transfer to Investment Fluctuation Reserve Account		12,000,000	5,253,150
Transfer to Capital Redemption Reserve		5,000,000	-
Dividend		3,366,210	2,589,206
Balance carried over to Balance Sheet		451,030,223	377,600,930
<b>Total</b>		<b>515,416,754</b>	<b>413,951,486</b>
<b>V. EARNINGS PER SHARE (Face Value of ₹ 5/-)</b> (Refer Note 1 - Schedule 18 B)			
Basic		69.15	54.89
Diluted		69.15	54.87
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No. 105146W/W100621

**C S Rajan**

Chairman

DIN: 00126063

**Ashok Vaswani**

Managing Director and

Chief Executive Officer

DIN: 10227550

**Gautam Shah**

Partner

Membership No. 117348

**Shanti Ekambaram**

Deputy Managing Director

DIN: 00004889

**Uday Khanna**

Director

DIN: 00079129

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration No. 301112E/E300264

**Devang Gheewalla**

President and

Group Chief Financial Officer

Membership No. 045993

**Avan Doomasia**

Senior Executive Vice President and

Company Secretary

FCS. No. 3430

**Russell I Parera**

Partner

Membership No. 042190

Mumbai

4<sup>th</sup> May, 2024

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

(₹ in thousands)

	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit after tax</b>	<b>137,815,824</b>	<b>109,392,951</b>
Add: Provision for tax	42,321,343	34,516,910
<b>Net Profit before taxes</b>	<b>180,137,167</b>	<b>143,909,861</b>
<b>Adjustments for :-</b>		
Employee Stock Options Expense	254,406	241,886
Depreciation on Bank's Property	6,147,920	4,617,270
Diminution in the value of Investments	792,218	(210,499)
Dividend from Subsidiaries / Joint Ventures	(3,089,012)	(2,422,740)
Amortization of Premium on HTM Investments	3,613,242	5,258,387
(Profit)/Loss on revaluation of Investments (net)	(14,817,762)	2,210,847
Provision for Non Performing Assets, Standard Assets and Other Provisions	14,945,163	4,780,363
Profit on sale of Fixed Assets	(30,256)	(75,091)
	<b>187,953,086</b>	<b>158,310,284</b>
<b>Adjustments for :-</b>		
(Increase) in Investments (other than Subsidiaries, Joint Ventures, Associates and Other HTM Investments)	(354,952,676)	(225,477,641)
(Increase) in Advances	(577,005,271)	(491,152,921)
Decrease / (Increase) in Other Assets	3,559,820	(11,285,411)
Increase in Deposits	858,576,925	514,119,392
Increase in Other Liabilities and Provisions	67,027,511	6,572,093
<b>Sub-total</b>	<b>(2,793,691)</b>	<b>(207,224,488)</b>
<b>Direct Taxes Paid</b>	<b>(46,151,531)</b>	<b>(34,777,571)</b>
<b>NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)</b>	<b>139,007,864</b>	<b>(83,691,775)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,847,258)	(7,698,023)
Sale of Fixed Assets	277,290	200,140
Investments in Subsidiaries / Joint Ventures	(7,331,239)	(2,242,200)
Decrease in Investments in HTM securities	33,027,233	12,225,987
Dividend from Subsidiaries / Joint Ventures	3,089,012	2,422,740
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>	<b>20,215,038</b>	<b>4,908,644</b>

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

(₹ in thousands)

	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease) in Subordinated Debt	-	(3,060,000)
Increase in Refinance	40,751,200	22,290,600
Increase/(Decrease) in Borrowings [other than Refinance and Sub-ordinated debt]	8,767,072	(44,739,085)
Money received on exercise of Stock Options	1,992,348	2,678,633
Redemption of Perpetual Non Cumulative Preference Shares	(5,000,000)	-
Dividend paid	(3,366,210)	(2,589,206)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>43,144,410</b>	<b>(25,419,058)</b>
<b>Increase in Foreign Currency Translation Reserve (D)</b>	<b>93,631</b>	<b>385,916</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)</b>	<b>202,460,943</b>	<b>(103,816,273)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE BELOW)</b>	<b>325,423,078</b>	<b>429,239,351</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE BELOW)</b>	<b>527,884,021</b>	<b>325,423,078</b>
<b>Note:</b>		
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	11,733	11,733
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	3,266,665	3,758,533
Money at Call and Short Notice in India (as per Sch 7 I (ii))	114,806,705	78,969,813
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	19,910,301	18,823,722
Balance with RBI in Current Account (As per Sch 6 II (a))	192,100,075	180,831,853
Balance with RBI in other account (As per Sch 6 II (b))	150,510,000	-
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	27,895,220	23,528,483
(ii) In other Deposit Accounts (As per Sch 7 II (ii))	19,383,322	19,498,941
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>527,884,021</b>	<b>325,423,078</b>

As per our report of even date attached.

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration No. 105146W/W100621

**Gautam Shah**  
Partner  
Membership No. 117348

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm Registration No. 301112E/E300264

**Russell I Parera**  
Partner  
Membership No. 042190

Mumbai  
4<sup>th</sup> May, 2024

For and on behalf of the Board of Directors

**C S Rajan**  
Chairman  
DIN: 00126063

**Shanti Ekambaram**  
Deputy Managing Director  
DIN: 00004889

**Devang Gheewalla**  
President and  
Group Chief Financial Officer  
Membership No. 045993

**Ashok Vaswani**  
Managing Director and  
Chief Executive Officer  
DIN: 10227550

**Uday Khanna**  
Director  
DIN: 00079129

**Avan Doomasia**  
Senior Executive Vice President and  
Company Secretary  
FCS. No. 3430

# Schedules

forming part of Standalone Balance Sheet as at 31<sup>st</sup> March, 2024

## SCHEDULE 1 - CAPITAL

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Authorised Capital</b>		
2,800,000,000 Equity Shares of ₹ 5/- each		
2,800,000,000 (31 <sup>st</sup> March, 2023: 2,800,000,000 Equity Shares of ₹ 5/- each)	14,000,000	14,000,000
1,000,000,000 (31 <sup>st</sup> March, 2023: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each	5,000,000	5,000,000
	<b>19,000,000</b>	<b>19,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
1,987,920,898 (31 <sup>st</sup> March, 2023: 1,986,556,582) Equity Shares of ₹ 5/- each fully paid-up	9,939,604	9,932,783
Nil (31 <sup>st</sup> March, 2023: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each fully paid-up	-	5,000,000
<b>Total</b>	<b>9,939,604</b>	<b>14,932,783</b>

## SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. Statutory Reserve</b>		
Opening Balance	148,317,983	120,969,683
Add: Transfer from Profit and Loss Account	34,454,000	27,348,300
<b>Total</b>	<b>182,771,983</b>	<b>148,317,983</b>
<b>II. Capital Reserve</b>		
Opening Balance	3,531,886	3,521,986
Add: Transfer from Profit and Loss Account	-	9,900
<b>Total</b>	<b>3,531,886</b>	<b>3,531,886</b>
<b>III. General Reserve</b>		
Opening Balance	6,425,304	6,404,249
Add: Amount transferred on Employee's Stock Options (Grants) Outstanding lapsed	69,716	21,055
<b>Total</b>	<b>6,495,020</b>	<b>6,425,304</b>
<b>IV. Investment Reserve Account</b>		
Opening Balance	-	-
Add: Transfer from/(to) Profit and Loss Account	8,316,321	-
<b>Total</b>	<b>8,316,321</b>	<b>-</b>
<b>V. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961</b>		
Opening Balance	8,942,000	7,792,000
Add: Transfer from Profit and Loss Account	1,250,000	1,150,000
<b>Total</b>	<b>10,192,000</b>	<b>8,942,000</b>
<b>VI. Securities Premium Account</b>		
Opening Balance	249,839,331	247,024,798
Add: Received during the year	2,175,407	2,814,533
Less: Share Issue Expenses	-	-
<b>Total</b>	<b>252,014,738</b>	<b>249,839,331</b>
<b>VII. Capital Redemption Reserve</b>		
Opening Balance	-	-
Add: Transfer from Profit and Loss Account	5,000,000	-
<b>Total</b>	<b>5,000,000</b>	<b>-</b>



(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>VIII. Amalgamation Reserve</b>		
Opening Balance	1,224,046	1,224,046
Add: Additions	-	-
<b>Total</b>	<b>1,224,046</b>	<b>1,224,046</b>
<b>IX. Investment Allowance (Utilised) Reserve</b>		
Opening Balance	500	500
Add: Transfer from Profit and Loss Account	-	-
<b>Total</b>	<b>500</b>	<b>500</b>
<b>X. Investment Fluctuation Reserve</b>		
Opening Balance	23,000,000	17,746,850
Add: Transfer from Profit and Loss Account	12,000,000	5,253,150
<b>Total</b>	<b>35,000,000</b>	<b>23,000,000</b>
<b>XI. Foreign Currency Translation Reserve</b>		
Opening Balance	784,678	398,762
Add: (Decrease) / Increase during the year	93,631	385,916
<b>Total</b>	<b>878,309</b>	<b>784,678</b>
<b>XII. Balance in the Profit and Loss Account</b>		
Balance in the Profit and Loss Account	451,030,223	377,600,930
<b>Total</b>	<b>451,030,223</b>	<b>377,600,930</b>
<b>Total (I to XII)</b>	<b>956,455,026</b>	<b>819,666,658</b>

### SCHEDULE 3 - DEPOSITS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A I. Demand Deposits</b>		
i. From Banks	3,068,958	2,435,164
ii. From Others	749,013,968	697,867,219
<b>Total</b>	<b>752,082,926</b>	<b>700,302,383</b>
<b>II. Savings Bank Deposits</b>	1,290,951,628	1,217,850,232
<b>III. Term Deposits</b>		
i. From Banks	96,581,087	26,074,227
ii. From Others	2,349,921,810	1,686,733,684
<b>Total</b>	<b>2,446,502,897</b>	<b>1,712,807,911</b>
<b>Total Deposits (I to III)</b>	<b>4,489,537,451</b>	<b>3,630,960,526</b>
<b>B. (i) Deposits of branches in India</b>	4,461,142,550	3,612,850,670
<b>(ii) Deposits of branches outside India</b>	28,394,901	18,109,856
<b>Total (i and ii)</b>	<b>4,489,537,451</b>	<b>3,630,960,526</b>

#### SCHEDULE 4 - BORROWINGS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	-	47,000,000
(ii) Other Banks	-	2,259,792
(iii) Other Institutions and Agencies (Refer Note 13 - Schedule 18 B)	209,701,800	140,000,600
<b>Total</b>	<b>209,701,800</b>	<b>189,260,392</b>
<b>II. Borrowings outside India</b>		
Banks & Other Institutions (Refer Note 13 - Schedule 18 B)	73,979,156	44,902,292
<b>Total</b>	<b>73,979,156</b>	<b>44,902,292</b>
<b>Total Borrowings (I and II)</b>	<b>283,680,956</b>	<b>234,162,684</b>
Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
Tier II Bonds included in I (iii) above	-	-
Tier II Bonds included in II above	-	-

#### SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. Bills Payable</b>	36,051,339	30,880,206
<b>II. Interest Accrued</b>	22,336,906	11,966,131
<b>III. Provision for tax (net of advance tax and tax deducted at source)</b>	-	2,378,818
<b>IV. Standard Asset provision</b>	16,256,473	15,172,925
<b>V. Others (including provisions) (Refer Note 45 - Schedule 18 A and Note 11 - Schedule 18 B)</b>	188,519,764	137,900,984
<b>Total</b>	<b>263,164,482</b>	<b>198,299,064</b>

#### SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. Cash in hand (including foreign currency notes)</b>	19,910,301	18,823,722
<b>Total</b>	<b>19,910,301</b>	<b>18,823,722</b>
<b>II. Balances with RBI</b>		
(a) In Current Account	192,100,075	180,831,853
(b) In Other Deposit Account	150,510,000	-
<b>Total</b>	<b>342,610,075</b>	<b>180,831,853</b>
<b>Total (I+II)</b>	<b>362,520,376</b>	<b>199,655,575</b>


**SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. In India</b>		
<b>(i) Balances with Banks</b>		
(a) In Current Accounts	3,266,665	3,758,533
(b) In Other Deposit Accounts	11,733	11,733
<b>Total</b>	<b>3,278,398</b>	<b>3,770,266</b>
<b>(ii) Money at Call and Short Notice</b>		
(a) With Banks	-	77,469,813
(b) With Other Institutions	114,806,705	1,500,000
<b>Total</b>	<b>114,806,705</b>	<b>78,969,813</b>
<b>Total (i and ii)</b>	<b>118,085,103</b>	<b>82,740,079</b>
<b>II. Outside India</b>		
(i) In Current Accounts	27,895,220	23,528,483
(ii) In other Deposit Accounts	19,383,322	19,498,941
(iii) Money at call and short notice	-	-
<b>Total (i, ii and iii)</b>	<b>47,278,542</b>	<b>43,027,424</b>
<b>Total (I and II)</b>	<b>165,363,645</b>	<b>125,767,503</b>

**SCHEDULE 8 - INVESTMENTS**

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. In India</b>		
(i) Government Securities	1,133,950,690	897,060,582
(ii) Other Approved Securities	-	-
(iii) Shares	12,245,800	12,302,210
(iv) Debentures and Bonds	168,493,691	189,697,809
(v) Subsidiaries and Joint Ventures	39,020,133	31,688,894
(vi) Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates(PTC)]	183,138,405	71,092,790
<b>Total</b>	<b>1,536,848,719</b>	<b>1,201,842,285</b>
<b>II. Outside India</b>		
(i) Government Securities	2,777,753	1,464,844
(ii) Subsidiaries and Joint Ventures	383,242	383,242
(iii) Other Investments		
(a) Shares	18,040	12,460
(b) Debentures and Bonds	14,009,833	10,334,456
<b>Total</b>	<b>17,188,868</b>	<b>12,195,002</b>
<b>Total Investments (I and II)</b>	<b>1,554,037,587</b>	<b>1,214,037,287</b>

## SCHEDULE 9 - ADVANCES

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A.</b>		
(i) Bills purchased and discounted #	75,847,475	55,508,802
(ii) Cash credits, overdrafts and loans repayable on demand <sup>^</sup>	1,204,741,113	987,126,164
(iii) Term loans <sup>@</sup>	2,480,164,071	2,155,977,108
<b>Total</b>	<b>3,760,752,659</b>	<b>3,198,612,074</b>
# Bills purchased and discounted is net of Bills Rediscounted ₹ 2,723.66 crore (Previous Year ₹ 1,475.84 crore)		
<sup>^</sup> net of borrowings under Inter Bank Participatory certificates of ₹ 2.54 crore (Previous Year ₹ 220.00 crore)		
<sup>@</sup> net of borrowings under Inter Bank Participatory certificates of ₹ 12,927.26 crore (Previous Year ₹ 3,986.26 crore)		
<b>B.</b>		
(i) Secured by tangible assets *	2,851,501,397	2,465,402,365
(ii) Covered by Bank / Government guarantees	33,513,741	69,720,473
(iii) Unsecured	875,737,521	663,489,236
<b>Total</b>	<b>3,760,752,659</b>	<b>3,198,612,074</b>
* including advances against book debts.		
<b>C.I.</b> Advances in India		
(i) Priority Sector	1,677,430,941	1,471,534,973
(ii) Public Sector	23,509,188	4,093,487
(iii) Banks	13,650,218	2,077
(iv) Others	1,985,655,735	1,674,439,675
<b>Total</b>	<b>3,700,246,082</b>	<b>3,150,070,212</b>
<b>C.II.</b> Advances outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated and term loans	60,506,577	48,541,862
c) Others	-	-
<b>Total</b>	<b>60,506,577</b>	<b>48,541,862</b>
<b>Grand Total (C.I. and C.II.)</b>	<b>3,760,752,659</b>	<b>3,198,612,074</b>

## SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Premises (Including Land)</b>		
<b>Gross Block</b>		
At cost on 31 <sup>st</sup> March of the preceding year	10,577,170	10,570,977
Additions/Exchange Gain/(Loss) during the year	2,240	11,562
Less: Deductions during the year	13	5,369
<b>Total</b>	<b>10,579,397</b>	<b>10,577,170</b>
<b>Depreciation</b>		
As at 31 <sup>st</sup> March of the preceding year	2,364,590	2,191,672
Add: Charge/Exchange Gain/(Loss) for the year	174,346	174,113
Less: Deductions during the year	-	1,195
<b>Depreciation to date</b>	<b>2,538,936</b>	<b>2,364,590</b>
<b>Net Block</b>	<b>8,040,461</b>	<b>8,212,580</b>





(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>B. Other Fixed Assets (including furniture and fixtures)</b>		
<b>Gross Block</b>		
At cost on 31 <sup>st</sup> March of the preceding year	32,549,618	28,763,074
Additions/Exchange Gain/(Loss) during the year	8,742,449	7,496,819
Less: Deductions during the year	869,110	3,710,275
<b>Total</b>	<b>40,422,957</b>	<b>32,549,618</b>
<b>Depreciation</b>		
As at 31 <sup>st</sup> March of the preceding year	21,715,950	20,862,194
Add: Charge/Exchange Gain/(Loss) for the year	5,973,574	4,443,157
Less: Deductions during the year	779,071	3,589,401
<b>Depreciation to date</b>	<b>26,910,453</b>	<b>21,715,950</b>
<b>Net Block (Refer Note 6 - Schedule 18 B)</b>	<b>13,512,504</b>	<b>10,833,668</b>
<b>C. Leased Fixed Assets</b>		
<b>Gross Block</b>		
At cost on 31 <sup>st</sup> March of the preceding year	1,540,585	1,540,585
Additions/Exchange Gain/(Loss) during the year	-	-
Less: Deductions during the year	1,540,585	-
<b>Total</b>	<b>-</b>	<b>1,540,585</b>
<b>Depreciation</b>		
As at 31 <sup>st</sup> March of the preceding year	1,383,601	1,383,601
Add: Charge/Exchange Gain/(Loss) for the year	-	-
Less: Deductions during the year	1,383,601	-
<b>Depreciation to date</b>	<b>-</b>	<b>1,383,601</b>
<b>Net Block</b>	<b>-</b>	<b>156,984</b>
<b>Total (A) +(B)+(C)</b>	<b>21,552,965</b>	<b>19,203,232</b>

### SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>I. Interest accrued</b>	44,126,279	38,950,762
<b>II. Advance tax (net of provision for tax)</b>	1,938,700	-
<b>III. Stationery and Stamps</b>	14,768	27,038
<b>IV. Others (Refer Note 45 - Schedule 18 A and Note 4 - Schedule 18 B)*</b>	93,263,478	102,371,302
<b>Total</b>	<b>139,343,225</b>	<b>141,349,102</b>

\*Includes deposits placed with NABARD/SIDBI ₹ 3,253.85 crore (Previous year ₹ 4,544.48 crore).

## SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
I. Claims not acknowledged as debts	5,537,058	4,911,365
II. Liability on account of outstanding Forward Exchange Contracts	5,019,139,271	2,991,342,115
III. Guarantees on behalf of Constituents		
i) In India	319,446,355	268,102,384
ii) Outside India	-	-
IV. Acceptances, Endorsements and other obligations	266,940,082	244,570,188
V. Other Items for which the Bank is contingently liable :		
a. Liability in respect of interest rate and currency swaps and forward rate agreements	1,432,586,428	996,439,662
b. Liability in respect of Options Contracts	116,319,586	31,806,455
c. Capital commitments not provided	8,723,033	16,200,945
d. Unclaimed Customer balances transferred to RBI DEAF Scheme	4,120,003	3,564,243
<b>Total</b>	<b>7,172,811,816</b>	<b>4,556,937,357</b>

## SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I. Interest / discount on Advances / Bills	356,579,938	269,784,462
II. Income on Investments	88,980,830	64,586,509
III. Interest on balances with RBI and other inter-bank funds	7,793,843	5,502,956
IV. Others	4,634,499	2,634,582
<b>Total</b>	<b>457,989,110</b>	<b>342,508,509</b>

## SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I. Commission, exchange and brokerage	70,485,388	54,400,095
II. Profit / (Loss) on sale of Investments (net)	(5,597,936)	(7,557,133)
III. Profit / (Loss) on revaluation of Investments (net)	14,817,762	(2,210,847)
IV. Profit / (Loss) on sale of building and other assets (net)	30,256	75,091
V. Profit on exchange transactions (net) (including derivatives)	14,032,659	16,366,587
VI. Income earned by way of dividend, etc. from Subsidiaries / Associates and / or Joint Venture in / outside India	4,560,996	3,646,060
VII. Profit on recoveries of non-performing assets acquired	3,031,033	3,109,786
VIII. Miscellaneous Income (Refer Note 45 - Schedule 18 A)	1,370,849	3,000,870
<b>Total</b>	<b>102,731,007</b>	<b>70,830,509</b>


**SCHEDULE 15 - INTEREST EXPENDED**

(₹ in thousands)

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I. Interest on Deposits	183,267,206	117,982,582
II. Interest on RBI / Inter-Bank Borrowings	3,666,491	2,505,371
III. Others (Refer Note 13(c) - Schedule 18 B)	11,123,412	6,501,403
<b>Total</b>	<b>198,057,109</b>	<b>126,989,356</b>

**SCHEDULE 16 - OPERATING EXPENSES**

(₹ in thousands)

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I. Payments to and provision for employees (Refer Note 9 - Schedule 18 B)	68,926,322	55,477,845
II. Rent, taxes and lighting (Refer Note 3 - Schedule 18 B)	8,336,698	8,254,684
III. Printing and Stationery	1,944,074	1,686,785
IV. Advertisement, Publicity and Promotion	9,709,109	6,326,413
V. Depreciation on Bank's property	6,147,920	4,617,270
VI. Directors' fees, allowances and expenses*	57,440	35,675
VII. Auditors' fees and expenses (Refer Note 14 - Schedule 18 B)	41,619	38,840
VIII. Law Charges	317,976	435,680
IX. Postage, telephone etc.	4,178,355	3,665,394
X. Repairs and maintenance	11,026,629	9,293,498
XI. Insurance	4,688,982	3,907,174
XII. Other Expenditure (Refer Note 45 - Schedule 18 A and Note 12 - Schedule 18 B)	51,946,459	44,570,879
	<b>167,321,583</b>	<b>138,310,137</b>
Less: Reimbursement of Costs from Group Companies	533,123	440,200
<b>Total</b>	<b>166,788,460</b>	<b>137,869,937</b>

\* Pertains to non executive director's remuneration.

## SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES<sup>1</sup>

### A BACKGROUND

In February 2003, Kotak Mahindra Finance Limited was given a license to carry out banking business by the Reserve Bank of India ("RBI"). It was the first Non Banking Finance Company (NBFC) in India to be converted into a Bank. Kotak Mahindra Bank Limited ("Kotak Mahindra Bank", "Kotak" or "the Bank") provides a full suite of banking services to its customers encompassing Consumer Banking, Commercial Banking, Treasury and Corporate Banking in India and also has a representative office in Dubai. The Bank set up and commenced operations in May 2016, at its International Financial Services Center Banking Unit ("IBU") in Gujarat International Finance Tec (GIFT) City, Gujarat. The Bank has commenced operations in October 2019 at its first overseas branch at the Dubai International Financial Centre ("DIFC"), Dubai, UAE.

### B BASIS OF PREPARATION

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of Kotak Mahindra Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention unless stated otherwise and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to banks and the guidelines issued by RBI.

#### Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Bank's Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

### C SIGNIFICANT ACCOUNTING POLICIES

#### 1 Investments

##### Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Held for Trading" ("HFT"), "Available for Sale" ("AFS") and "Held to Maturity" ("HTM") categories (hereinafter called "categories"). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines at the lower of the acquisition cost or carrying value and market value on the date of the transfer, and depreciation, if any, on such transfer is fully provided.

Under each of these categories, investments are further classified under six groups (hereinafter called "group/groups") - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities, except in the case of equity shares where 'Trade Date' accounting is followed.

##### Basis of classification:

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date. Investments which the Bank intends to hold till maturity are classified as HTM securities. The Bank has classified investments in subsidiaries, joint ventures and associates under HTM category. Investments which are not classified in either of the above two categories are classified under AFS category.

##### Acquisition Cost:

The cost of investments is determined on weighted average basis. Broken period interest on debt instruments and government securities are considered as a revenue item. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

##### Disposal of investments:

- **Investments classified as HFT or AFS** - Profit or loss on sale or redemption is recognised in the Profit and Loss Account.
- **Investments classified as HTM** - Profit on sale or redemption of investments is recognised in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognised in the Profit and Loss Account.

##### Short Sale:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is categorised under HFT category and netted off from Investments in the Balance Sheet. The short position is marked to market and loss, if any, is



charged to the Profit and Loss Account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the Profit and Loss Account.

**Valuation:**

The valuation of investments is performed in accordance with the RBI guidelines as follows:

- a) **Investments classified as HTM** – These are carried at their acquisition cost. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of such securities is provided.
- b) **Investments classified as HFT or AFS** – Investments in these categories are marked to market and the net depreciation, if any, within each group is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored. Further, provision other than temporary diminution is made at individual security level. Except in cases where provision other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.
- c) The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared on Fixed Income Money Market and Derivatives Association of India ('FIMMDA') website by Financial Benchmark India Private Limited (FBIL) as at the year end.
- d) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
- e) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.
- f) Investments in subsidiaries / joint ventures (as defined by RBI) are categorised as HTM and assessed for impairment to determine other than temporary diminution, if any, in accordance with RBI guidelines.
- g) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:
  - In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;
  - In case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI. Interest on such securities is not recognised in the Profit and Loss Account until received;
  - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1 per investee company;
  - Units of Venture Capital Funds (VCF) held under AFS category where current valuations are not available are marked to market based on the Net Asset Value (NAV) shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF. Investment in unquoted VCF after 23<sup>rd</sup> August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines. Such investments are required to be transferred to AFS thereafter;
  - Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower. The Bank has classified Security Receipts whose tenure has exceeded 8 years, as "Non Performing investments".
  - The Bank provides for investments in Alternate Investments Funds (AIF) in accordance with RBI circular dated 19<sup>th</sup> December, 2023 and 27<sup>th</sup> March 2024.
- h) Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.
- i) **Repurchase and reverse repurchase transactions** - Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

## 2 Advances

### Classification:

Advances are classified as performing and non-performing advances ('NPAs') based on RBI guidelines and are stated net of bills rediscounted, inter-bank participation with risk, specific provisions, interest in suspense, claims received from Export Credit Guarantee Corporation and Emergency Credit Line Guarantee Scheme (ECLGS) with respect to non-performing advances, provisions for funded interest term loan and provisions in lieu of diminution in the fair value of restructured assets. Also, NPAs are classified into sub-standard, doubtful and loss assets as required by RBI guidelines. Interest on NPAs remaining uncollected is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

Amounts paid for acquiring non-performing asset(s) from other banks and NBFCs are considered as advances. Actual collections received on such non-performing asset(s) are compared with the cash flow(s) estimated while purchasing the asset to ascertain overdue(s). If such overdue(s) is/are in excess of 90 days, then this/these asset(s) are classified into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing asset(s).

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

### Provisioning:

The Bank classifies its advances, investments and overdues from crystallised derivatives including those at overseas branches into performing and non performing in accordance with guidelines issued by the RBI. Provision for NPAs comprising sub-standard, doubtful and loss assets is made in accordance with RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of installments / rate of interest (due to reasons other than competitive reasons).

Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made.

In respect of borrowers restructured under the Resolution Framework – 1.0 and Resolution Framework 2.0 for COVID-19 related stress the Bank holds provisions higher than the provisions as required by the RBI guidelines based on the estimates made by the Bank.

In accordance with RBI guidelines the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts, and gold at levels stipulated by RBI from time to time. Additional standard asset provision is done for overseas stepdown subsidiaries of Indian corporates. Standard provision is also made at higher than the prescribed rates in respect of advances to stressed sectors as per the framework approved by the Board of Directors. In case of Frauds, the Bank makes provision for amounts it is liable for in accordance with the guidelines issued by RBI. A general provision on the entire amount outstanding from borrowers who had an overdue on February 29, 2020 and to whom moratorium was given is also made.

Further to provisions required as per the asset classification status, provisions are held for individual country exposure (except for home country) as per the RBI guidelines. Exposure is classified in the seven risk categories as mentioned in the Export Credit Guarantee Corporation of India Limited ('ECGC') guidelines and provisioning is done for that country if the net funded exposure is one percent or more of the Bank's total assets based on the rates laid down by the RBI.

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines.

## 3 Loss on Sale of Advances to Asset Reconstruction Company

Loss on sale of Advances sold to Asset Reconstruction Company are recognised immediately in the Profit and Loss Account.

## 4 Securitisation

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/ SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass-Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021.



In accordance with the RBI guidelines on Securitisation of Standard Assets dated 24 September 2021, the profit, loss or premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset. Any resultant profit, loss or premium realised on account of securitisation is recognised to the Profit and Loss Account in the period in which the sale is completed.

The Bank invests in instruments of other SPVs which are accounted for at the deal value and are classified under Investments.

## 5 Fixed assets (Property, Plant & Equipment and Intangible) and depreciation / amortisation

Property, Plant & Equipment and Intangible Assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Gain or loss arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises of the Bank, net of taxes and transfer to statutory reserve is appropriated to Capital Reserve as per RBI guidelines.

**Depreciation / Amortisation** - Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Asset Type	Estimated Useful life in years
Premises	58
Leasehold Land	Over the lease period
Improvement to leasehold premises	Over the period of lease subject to a maximum of 6 years.
Office equipments (High capacity chillers, Transformers, UPS, DG set, Fire Suppression, HVAC, PAC & Elevators)	10
Office equipments (other than above)	5
Computers	3
Furniture and Fixtures	6
Motor Vehicles	4
ATMs	5
Software (including development) expenditure	3

Used assets purchased are depreciated over the residual useful life from the date of original purchase.

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

## 6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

## 7 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its wholesale customers. The difference between the sale price to customers and actual price quoted by supplier is reflected under other income.

The Bank also borrows and lends gold, which is treated as borrowings or lending as the case may be in accordance with the RBI guidelines and the interest paid or received is classified as interest expense or income and is accounted on an accrual basis.

## 8 Revenue recognition

Interest income is recognised on accrual basis.

Interest income in respect of retail advances is accounted for by using the internal rate of return method to provide a constant periodic rate of return.

Interest income on investments in PTCs and loans bought out through the direct assignment route is recognised at their effective interest rate.

Interest income on discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return.

Service charges, fees and commission income are recognised when due except for guarantee commission and letter of credit which is recognised over the period of the guarantee / letter of credit. Syndication / arranger fee is recognised as income as per the terms of engagement.

Upon an asset becoming NPA the income accrued gets reversed, and is recognised only on realisation, as per RBI guidelines.

Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.

Other fees are recognised when due, where the Bank is reasonably certain of ultimate collection.

Dividend income is accounted on an accrual basis when the Bank's right to receive the dividend is established.

Gain on account of securitisation of assets is amortised over the life of the securities issued in accordance with the guidelines issued by the RBI. Loss on account of securitisation of assets is recognised immediately in Profit and Loss account.

In respect of non-performing assets acquired from other Banks / FIs and NBFCs, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.

Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is recognised as expense under other expenses in accordance with the guidelines issued by the RBI.

## 9 Employee benefits

### Defined Contribution Plan

#### *Provident Fund*

Contribution as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.

#### *Superannuation Fund*

The Bank makes contributions in respect of eligible employees, subject to a maximum of ₹ 0.01 crore per employee per annum to a Fund administered by trustees and managed by Life Insurance Companies. The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligations.

#### *New Pension Scheme*

The Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognises such contributions as an expense in the year when an employee renders the related service.

#### *DIFC Employee Workplace Savings Scheme (DEWS)*

The Bank's branch in Dubai International Financial Centre (DIFC) contributes up to 8.33% of eligible branch employees' salary per annum to the DIFC Employee Workplace Savings Scheme (DEWS). The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligation.

### Defined Benefit Plan

#### *Gratuity*

The Bank provides for Gratuity, covering employees in accordance with the Payment of Gratuity Act, 1972, service regulations and service awards as the case may be. The Bank's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Bank makes contribution to Gratuity Funds administered by trustees and managed by Life Insurance Companies.

#### *Pension Scheme*

In respect of pension payable to certain erstwhile ING Vysya Bank Limited ("eIVBL") employees under Indian Banks' Association ("IBA") structure, the Bank contributes 10% of basic salary to a pension fund and the difference between the contribution and the amount actuarially determined by an independent actuary is trued up based on actuarial valuation conducted as at the Balance Sheet date. The Pension Fund is administered by the Board of Trustees and managed by Life Insurance Company. The present value of the Bank's defined pension obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The contribution made to the Pension fund is recognised as planned assets. The defined benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains or losses in respect of all defined benefit plans are recognised immediately in the Profit and Loss Account in the year in which they are incurred.





### Compensated Absences – Other Long-Term Employee Benefits

The Bank accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains / losses are recognised in the Profit and Loss Account in the year in which they arise.

### Other Employee Benefits

As per the Bank's policy, employees are eligible for an award after completion of a specified number of years of service with the Bank. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the Projected Unit Credit Method.

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

### Employee share based payments

#### **Equity-settled scheme:**

The Employee Stock Option Schemes (ESOSs) of the Bank are in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The schemes provide for grant of options to employees of the Group to acquire the equity shares of the Bank that vest in cliff vesting or in a graded manner and that are to be exercised within a specified period.

RBI, vide its clarification dated 30<sup>th</sup> August, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending 31<sup>st</sup> March, 2021.

In accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method for all options granted on or before 31<sup>st</sup> March, 2021. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The Bank has changed its accounting policy from intrinsic value method to fair value method for all share-linked instruments granted after 31<sup>st</sup> March, 2021 in accordance with the RBI guidance. The fair value of the option is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense in "Payment to and provision for employee", equal to the amortised portion of the cost of lapsed option and credit to deferred employee compensation equal to the unamortised portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding account is transferred to General Reserve. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic/ fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In respect of options granted to employees of subsidiaries, the Bank recovers the related compensation cost from the respective subsidiaries.

#### **Cash-settled scheme:**

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31<sup>st</sup> March 2021 is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. Similar to Equity settled options, SARs granted after 31<sup>st</sup> March, 2021 are measured on fair value basis.

The intrinsic / fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in intrinsic / fair value recognised in the profit and loss account in 'Payments to and provision for employees'. The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

## 10 Foreign currency transactions

Foreign currency monetary assets and monetary liabilities are translated as at the Balance Sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gain or loss is accounted in the Profit and Loss Account.

Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transactions except in respect of representative office (which are integral in nature) expenses, which are translated at monthly average exchange rates.

Outstanding forward (other than deposit and placement swaps) and spot foreign exchange contracts outstanding at the Balance Sheet date are revalued at rates notified by FEDAI for specified maturities and at the interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The forward profit or loss on the forward contracts are discounted using discount rate and the resulting profits or losses are recognised in the Profit and Loss Account as per the regulations stipulated by the RBI.

Foreign exchange swaps "linked" to foreign currency deposits and placements are translated at the prevailing spot rate at the time of swap. The premium or discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and the same is recognised in the Profit and Loss Account.

Contingent liabilities on account of letters of credit, bank guarantees and acceptances and endorsements outstanding as at the Balance Sheet date denominated in foreign currencies and other foreign exchange contracts are translated at year-end rates notified by FEDAI.

The financial statements of IBU and DIFC which are in the nature of non-integral overseas operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange during the period and (b) All assets and liabilities are translated at closing rate as on Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

## 11 Derivative transactions

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off Balance Sheet exposures. The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

Outstanding derivative transactions designated as "Hedges" are accounted in accordance with hedging instrument on an accrual basis over the life of the underlying instrument. Option premium paid or received is recognised in the Profit and Loss Account on expiry of the option. Option contracts are marked to market on every reporting date.

## 12 Lease accounting

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct costs in respect of operating leases such as legal costs, brokerage costs, etc. are recognised as expense immediately in the Profit and Loss Account.

## 13 Accounting for provisions, contingent liabilities and contingent assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are measured based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

## 14 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent carrying amount of assets exceeds their estimated recoverable amount.

**15 Taxes on income**

The Income Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets on account of timing differences are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of carry forward losses and unabsorbed depreciation, under tax laws, all the deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of the change.

Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

**16 Accounting for Dividend**

As per AS 4 (Revised), with effect from April 2016, the Bank is not required to provide for dividend proposed / declared after the Balance Sheet date. The same shall be appropriated from next year amount available for appropriation.

**17 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

**18 Share issue expenses**

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

**19 Credit cards reward points**

The Bank estimates the liability for credit card reward points and cost per point using actuarial valuation conducted by an independent actuary, which includes assumptions such as mortality, redemption and spends.

**20 Segment reporting**

In accordance with guidelines issued by RBI and Accounting Standard 17 (AS-17) on "Segment Reporting", the Banks' business has been segregated into the following segments whose principal activities were as under:

Segment	Principal activity
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities and Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Corporate / Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated April 7, 2022.

Segment	Principal activity
Other Retail Banking	Includes (other than covered under Digital Banking above): <ul style="list-style-type: none"> <li>I Lending Commercial vehicle finance, personal loans, home loans, agriculture finance, other loans / services and exposures which fulfill the four criteria for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework".</li> <li>II Branch Banking Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products.</li> <li>III Credit Cards Receivables / loans relating to credit card business.</li> </ul>
Other Banking business	Any other business not classified above.

A transfer pricing mechanism has been established by Asset Liability Committee (ALCO) for allocation of interest cost to the above segments based on borrowing costs, maturity profile of assets / liabilities etc. and which is disclosed as part of segment revenue.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions.

Segment results are net of segment revenues and segment expenses including interdivisional items.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and employees' stock option (grants outstanding).

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.


**SCHEDULE 18 – NOTES TO ACCOUNTS**
**A. DISCLOSURES AS LAID DOWN BY RBI CIRCULARS:**
**1. CAPITAL ADEQUACY RATIO:**

The Bank's Capital Adequacy Ratios as per Basel III guidelines are as follows:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Capital Ratios:</b>		
(i) Common Equity Tier I Capital (CET 1)	87,991.19	77,036.40
(ii) Additional Tier I Capital <sup>§</sup>	-	500.00
(iii) Tier I Capital (i + ii)	87,991.19	77,536.40
(iv) Tier II Capital	5,957.28	3,817.29
(v) Total Capital (Tier I+Tier II)	93,948.47	81,353.69
(vi) Total Risk Weighted Assets (RWAs)	457,206.27	373,170.24
(vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	19.25%	20.64%
(viii) Tier I Ratio (Tier I capital as a percentage of RWAs)	19.25%	20.78%
(ix) Tier II Ratio (Tier II capital as a percentage of RWAs)	1.30%	1.02%
(x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.55%	21.80%
(xi) Leverage Ratio	13.12%	14.13%
(xii) Percentage of the shareholding of the Government of India	Nil	Nil
(xiii) Amount of paid-up equity capital raised during the year #	218.22	282.40
(xiv) Amount of non-equity Tier I capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil
(xv) Amount of Tier II Capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil

# The Bank has allotted during the year 1,364,316 (previous year 1,894,822) equity shares consequent to exercise of ESOPs vested. Accordingly, the share capital further increased by ₹ 0.68 crore (previous year ₹ 0.95 crore) and share premium increased by ₹ 217.54 crore (previous year ₹ 281.45 crore), net of share issue expenses of ₹ Nil (previous year ₹ Nil).

§ The Bank has redeemed perpetual non-cumulative preference share capital ("PNCPS") during the year.

**2. COMPOSITION OF INVESTMENT PORTFOLIO**

(₹ in crore)

As at 31 <sup>st</sup> March 2024	Investments in India										Investments outside India				Total Investments
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India				
<b>Held to Maturity</b>															
Gross	28,517.74	-	-	-	3,902.02	-	32,419.76	-	38.32	-	-	38.32		38.32	32,458.08
Less: Provision for nonperforming investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>28,517.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,902.02</b>	<b>-</b>	<b>32,419.76</b>	<b>-</b>	<b>38.32</b>	<b>-</b>	<b>-</b>	<b>38.32</b>		<b>38.32</b>	<b>32,458.08</b>
<b>Available for Sale</b>															
Gross	77,485.52	-	1,267.83	14,524.76	-	5,869.50	99,147.61	277.78	-	1,421.63	-	1,699.41		1,699.41	100,847.02
Less: Provision for depreciation and NPI	294.24	-	43.25	33.34	-	177.63	548.46	-	-	18.84	-	18.84		18.84	567.30
<b>Net</b>	<b>77,191.28</b>	<b>-</b>	<b>1,224.58</b>	<b>14,491.42</b>	<b>-</b>	<b>5,691.87</b>	<b>98,599.15</b>	<b>277.78</b>	<b>-</b>	<b>1,402.79</b>	<b>-</b>	<b>1,680.57</b>		<b>1,680.57</b>	<b>100,279.72</b>
<b>Held for Trading</b>															
Gross	7,686.05	-	-	2,357.94	-	12,621.97	22,665.96	-	-	-	-	-		-	22,665.96
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-		-	-
<b>Net</b>	<b>7,686.05</b>	<b>-</b>	<b>-</b>	<b>2,357.94</b>	<b>-</b>	<b>12,621.97</b>	<b>22,665.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>22,665.96</b>
<b>Total Investments</b>															
Less: Provision for depreciation and NPI	113,689.31	-	1,267.83	16,882.70	3,902.02	18,491.47	154,233.33	277.78	38.32	1,421.63	-	1,737.73		1,737.73	155,971.06
<b>Net</b>	<b>113,395.07</b>	<b>-</b>	<b>1,224.58</b>	<b>16,849.36</b>	<b>3,902.02</b>	<b>18,313.84</b>	<b>153,684.87</b>	<b>277.78</b>	<b>38.32</b>	<b>1,402.79</b>	<b>-</b>	<b>1,718.89</b>		<b>1,718.89</b>	<b>155,403.76</b>

\* Includes securities with face Value of ₹ 4,327.45 crore pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.



(₹ in crore)

As at 31 <sup>st</sup> March 2023	Investments in India					Investments outside India					Total Investments outside India	
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
<b>Held to Maturity</b>												
Gross	32,181.79	-	-	-	3,179.02	-	35,360.81	-	38.33	-	38.33	35,399.14
Less: Provision for nonperforming investments (NPI)	-	-	-	-	10.13	-	10.13	-	-	-	-	10.13
<b>Net</b>	<b>32,181.79</b>	-	-	-	<b>3,168.89</b>	-	<b>35,350.68</b>	-	<b>38.33</b>	-	<b>38.33</b>	<b>35,389.01</b>
<b>Available for Sale</b>												
Gross	57,266.95	-	1,272.83	18,848.68	-	6,877.86	84,266.32	146.48	-	1,058.74	1,205.22	85,471.54
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	-	468.23	1,968.47	-	-	24.05	24.05	1,992.52
<b>Net</b>	<b>56,027.87</b>	-	<b>1,230.22</b>	<b>18,630.13</b>	-	<b>6,409.63</b>	<b>82,297.85</b>	<b>146.48</b>	-	<b>1,034.69</b>	<b>1,181.17</b>	<b>83,479.02</b>
<b>Held for Trading</b>												
Gross	1,496.40	-	-	339.65	-	699.65	2,535.70	-	-	-	-	2,535.70
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>1,496.40</b>	-	-	<b>339.65</b>	-	<b>699.65</b>	<b>2,535.70</b>	-	-	-	-	<b>2,535.70</b>
<b>Total Investments</b>	90,945.14	-	1,272.83	19,188.33	3,179.02	7,577.51	122,162.83	146.48	38.33	1,058.74	1,243.55	123,406.38
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	10.13	468.23	1,978.60	-	-	24.05	24.05	2,002.65
<b>Net</b>	<b>89,706.06</b>	-	<b>1,230.22</b>	<b>18,969.78</b>	<b>3,168.89</b>	<b>7,109.28</b>	<b>120,184.23</b>	<b>146.48</b>	<b>38.33</b>	<b>1,034.69</b>	<b>1,219.50</b>	<b>121,403.73</b>

\* Includes securities with face Value of ₹ 8,447.61 crore pledged and encumbered for avilment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

### 3. MOVEMENT OF PROVISIONS FOR DEPRECIATION AND INVESTMENT FLUCTUATION RESERVE

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	2,002.65	1,853.65
b) Add: Provisions made during the year	0.64	237.22
c) Less: Write-back of provisions during the year	1,435.99	88.22
d) Closing balance	<b>567.30</b>	<b>2,002.65</b>
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	<b>2,300.00</b>	<b>1,774.69</b>
b) Add: Amount transferred during the year	1,200.00	525.31
c) Less: Drawdown	-	-
d) Closing balance	<b>3,500.00</b>	<b>2,300.00</b>
iii) Closing balance in IFR as percentage of closing balance of investments in AFS and HFT/ Current Category	<b>2.85%</b>	<b>2.67%</b>

### 4. DETAILS OF REPO / REVERSE REPO (EXCLUDING LAF AND MSF TRANSACTIONS FOR THE YEAR) DEALS (IN FACE VALUE TERMS)

Year ended 31<sup>st</sup> March, 2024:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March, 2024
Securities sold under repos				
i. Government securities	-	8,962.75	913.34	-
ii. Corporate debt securities	-	185.71	11.05	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	-	29,237.80	6,000.56	11,450.29
ii. Corporate debt securities	-	525.00	14.97	-
iii. Any other securities	-	-	-	-

Year ended 31<sup>st</sup> March, 2023:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 <sup>st</sup> March, 2023
Securities sold under repos				
i. Government securities	-	15,355.95	1,862.17	170.20
ii. Corporate debt securities	-	253.57	14.81	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	-	10,604.11	1,364.25	7,739.18
ii. Corporate debt securities	-	500.00	7.70	-
iii. Any other securities	-	-	-	-





## 5. DISCLOSURE IN RESPECT OF NON-SLR INVESTMENTS

### (i) Non-performing Non-SLR investments:

(₹ in crore)

Particulars	Year ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening balance	78.67	154.10
Additions during the year	64.91	0.00
Reductions during the year	(19.58)	(75.43)
Closing balance	124.00	78.67
<b>Total provisions held</b>	<b>124.00</b>	<b>77.91</b>

### (ii) Issuer composition of Non-SLR investments as at 31<sup>st</sup> March, 2024:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	608.27	475.00	-	-	-
2	FIs	9,441.36	8,065.55	-	-	7,537.45
3	Banks	5,125.22	2,390.08	-	414.64	4,531.24
4	Private Corporates	19,988.18	16,064.18	244.58	866.78	6,762.68
5	Subsidiaries, Associates and Joint Ventures	3,940.34	2,036.58	-	3,940.34	3,940.34
6	Others	3,178.38	2,668.54	389.28	363.57	2,900.60
7	Provision held towards depreciation	(273.06)	-	-	-	-
	<b>Total</b>	<b>42,008.69</b>	<b>31,699.93</b>	<b>633.86</b>	<b>5,585.33</b>	<b>25,672.31</b>

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

### Issuer composition of Non-SLR investments as at 31<sup>st</sup> March, 2023:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	672.88	566.50	-	-	-
2	FIs	739.64	40.00	-	-	699.64
3	Banks	605.77	397.65	-	400.34	205.43
4	Private Corporates	24,023.73	18,663.49	358.71	901.20	6,248.50
5	Subsidiaries, Associates and Joint Ventures	3,217.35	1,850.71	-	3,217.35	3,217.35
6	Others	3,201.87	2,718.58	684.70	914.40	3,055.38
7	Provision held towards depreciation	(763.57)	-	-	-	-
	<b>Total</b>	<b>31,697.67</b>	<b>24,236.93</b>	<b>1,043.41</b>	<b>5,433.29</b>	<b>13,426.30</b>

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

6. During the year ended 31<sup>st</sup> March, 2024 and year ended 31<sup>st</sup> March, 2023, the value of sale / transfer of securities to / from HTM category (excluding one-time transfer of securities, permitted sales by RBI consequent to a downward revision in SLR requirements and sales to RBI under Open Market Operation auctions/Switch/GSAP) was within 5% of the book value of instruments in HTM category at the beginning of the year.

## 7. DERIVATIVES

### A. Forward Rate Agreements/ Interest Rate Swaps:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
The notional principal of swap agreements	134,487.28	91,083.25
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	933.94	995.81
Collateral required by the Bank upon entering into swaps	NA	NA
Concentration of credit risk arising from the swaps	32.19%(Banks)	56.47%(Banks)
The fair value of the swap book	186.02	419.30

### B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Notional principal amount of exchange traded interest rate derivatives undertaken during the year	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA
Mark to market value of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA

\* Being trading positions

### C. Disclosures on risk exposures in derivatives:

#### Qualitative disclosures:

#### a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Risk Management Committee (RMC), Board Committee for Derivatives products, the Asset Liability Management Committee (ALCO), the Senior Management Committee for Derivatives (SMC) and the Risk Management Department are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved Investment and Derivative policies. The ALCO of the Bank is empowered to set the limit-framework for derivatives. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also defines the risk appetite.

The Board Committee for Derivatives products and the Senior Management Committee for Derivatives (SMC) oversee the client derivatives business. These committees are responsible for reviewing and approving the derivative products that can be offered to clients (within the regulatory framework provided by the RBI). The Board approved 'Customer Suitability and Appropriateness Policy for Derivatives' lays down the risk management & governance framework for offering derivatives.

The Bank has Operations and Risk Management functions - independent of the dealing function. The Market Risk Management & Counterparty Risk Management Departments are responsible for assessment, monitoring, measurement & reporting of market & counterparty risks in derivatives.

#### b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored, measured & reported to the senior management. The Treasury Middle Office, on a daily basis, measures & reports risk-metrics like Value-at-Risk (VaR), PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho etc. Counterparty Risk exposure of the derivatives portfolio is also monitored & reported daily. The Treasury Middle Office independently reports profitability on a daily basis. Rate reasonability tests are performed on the Derivative portfolio to ensure that all trades are entered into at market rates. Stress testing is performed to measure the impact of extreme market shifts on the Bank's portfolio (including derivatives). Suitability and Appropriateness assessment is performed before offering derivatives to clients. The Bank continuously invests in technology to enhance the Risk Management architecture.



**c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:**

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

**d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:**

Derivative transactions are segregated into trading or hedge transactions. Trading transactions outstanding as at the Balance Sheet dates are marked to market and the resulting profits or losses, are recorded in the Profit and Loss Account.

Derivative transactions designated as "Hedges" are accounted in accordance with hedging instruments on an accrual basis over the life of the underlying instrument.

Option premium paid / received is accounted for in the Profit and Loss Account on expiry of the option.

Pursuant to the RBI guidelines, any receivables as well positive Mark to Market (MTM) in respect of future receivable under derivative contracts comprising of crystallised receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts. Limits for counterparty exposure (arising from derivative trades) to Corporates are approved by the Credit Committee and for Banks by the ALCO. These limits are renewable annually and are duly supported by ISDA agreements. MTM breaches are monitored daily and are cash collateralised wherever necessary. Further, to mitigate the current exposure in noncentrally cleared forex and derivative transactions, Bank has entered into Credit Support Annex ('CSA') agreements with some of the major international counterparty banks and few Indian financial institutions.

**Quantitative Disclosures:**

**31<sup>st</sup> March 2024:**

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	0.00	0.00
	b) For trading	522,317.25	134,487.28
2	Marked to Market Positions **		
	a) Asset (+)	-	186.02
	b) Liability (-)	115.21	-
3	Credit Exposure	12,655.54	1,852.34
4	Likely impact of one percentage change in interest rate (100*PV01) #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	55.95	1,418.33
5	Maximum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	63.82	1,549.01
6	Minimum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	32.71	1,293.01

Currency interest rate swaps have been included under currency derivatives.

\* Excludes PV01 on options.

\*Forwards in currency derivatives includes TOM, Spot deal.

\*\* The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

**The nature and terms of the Interest Rate Swaps (IRS) as on 31<sup>st</sup> March, 2024 are set out below:**

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	2	874.96	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	2	874.96	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	158	11,259.48	SOFR	Receive Floating Vs. Pay Fixed
Trading	48	2,746.86	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	431.34	SONIA	Receive Floating Vs. Pay Fixed
Trading	1	431.34	SONIA	Receive Fixed Vs. Pay Floating
Trading	6	356.50	SOFR Vs. SOFR	Receive Floating Vs. Pay Floating
Trading	311	13,781.10	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	91	5,740.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	919	30,612.29	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,889	58,990.94	MIBOR	Receive Floating Vs. Pay Fixed
Trading	452	8,387.51	FBIL*	Receive Fixed Vs. Pay Floating
<b>Total</b>	<b>3,880</b>	<b>134,487.28</b>		

\*Benchmark FBIL pertains to trades done in Rates FRA product.

**The nature and terms of the Cross Currency Swaps (CCS) as on 31<sup>st</sup> March, 2024 are set out below:**

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	4	365.73	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	4	364.91	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	3	270.82	FIXED	Pay Fixed
Trading	3	241.17	FIXED	Receive Fixed
Trading	52	2,004.94	FIXED	Receive Fixed Vs. Pay Fixed
Trading	1	32.81	SOFR	Receive Fixed Vs. Pay Fixed
Trading	37	2,931.41	SOFR	Receive Fixed Vs. Pay Floating
Trading	4	1,117.69	SOFR	Receive Floating Vs. Pay Fixed
Trading	17	441.00	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Trading	2	1,000.86	SOFR Vs. TORF	Receive Floating Vs. Pay Floating
<b>Total</b>	<b>127</b>	<b>8,771.34</b>		

\*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

The overnight Net open position as at 31<sup>st</sup> March, 2024 is ₹ 142.78 crore (previous year ₹ 331.21 crore).


**31<sup>st</sup> March 2023:**

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	310,875.58	91,083.25
2	Marked to Market Positions **		
	a) Asset (+)	79.87	419.30
	b) Liability (-)	-	-
3	Credit Exposure	8,735.13	1,448.19
4	Likely impact of one percentage change in interest rate (100*PV01) #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	60.95	1,305.18
5	Maximum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	70.41	1,332.53
6	Minimum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	55.62	180.84

Currency interest rate swaps have been included under currency derivatives.

# Excludes PV01 on options.

\*\* MTM has been considered at product level.

\*\* The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

**The nature and terms of the Interest Rate Swaps (IRS) as on 31<sup>st</sup> March, 2023 are set out below:**

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	1	45.95	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	1	45.95	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	19	486.89	LIBOR	Receive Fixed Vs. Pay Floating
Trading	104	6,970.17	LIBOR	Receive Floating Vs. Pay Fixed
Trading	1	164.34	LIBOR	Receive Floating Vs. Pay Floating
Trading	65	4,520.84	SOFR	Receive Floating Vs. Pay Fixed
Trading	22	1,548.39	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	73.95	SOFR	Receive Floating Vs. Pay Floating
Trading	200	7,527.76	MIFOR	Receive Fixed Vs. Pay Floating
Trading	35	2,235.00	MIFOR	Receive Floating Vs. Pay Fixed
Trading	90	4,105.00	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	19	1,340.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	379	14,983.87	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,133	40,370.91	MIBOR	Receive Floating Vs. Pay Fixed
Trading	194	6,664.23	FBIL#	Receive Fixed Vs. Pay Floating
<b>Total</b>	<b>2,264</b>	<b>91,083.25</b>		

# Benchmark FBIL pertains to trades done in Rates FRA product.

**The nature and terms of the Cross Currency Swaps (CCS) as on 31<sup>st</sup> March, 2023 are set out below:**

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	3	289.18	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	3	289.18	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	4	274.74	FIXED	Pay Fixed
Trading	3	237.60	FIXED	Receive Fixed
Trading	67	2,329.25	FIXED	Receive Fixed Vs. Pay Fixed
Trading	3	41.68	EURIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Trading	14	1,759.59	LIBOR	Receive Fixed Vs. Pay Floating
Trading	3	1,039.51	LIBOR	Receive Floating Vs. Pay Fixed
Trading	5	690.35	SOFR	Receive Fixed Vs. Pay Floating
Trading	18	1,609.65	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
<b>Total</b>	<b>123</b>	<b>8,560.73</b>		

\*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

**8. CREDIT DEFAULT SWAPS**

The Bank has not entered into any Credit Default Swap transactions (previous year Nil).

**9. CLASSIFICATION OF ADVANCES AND PROVISIONS HELD**

As at 31<sup>st</sup> March, 2024

(₹ in crore)

Particulars	Standard Total Standard Advances	Non-Performing			Total Non-Performing Advances	Total
		Sub-Standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	318,695.94	1,528.74	3,970.41	269.17	5,768.32	324,464.26
Add: Additions during the year					5,001.11	
Less: Reductions during the year (*)					5,494.65	
<b>Closing Balance</b>	<b>374,815.45</b>	<b>2,092.78</b>	<b>2,979.65</b>	<b>202.35</b>	<b>5,274.78</b>	<b>380,090.23</b>
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(1,737.08)	(1,737.08)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,499.65)	(1,499.65)
iii) Technical/Prudential Write-offs					-	-
iv) Write-offs other than those covered under (iii) above					(2,257.92)	(2,257.92)
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	28.03	837.21	3,468.64	269.17	4,575.02	4,603.05
Add: Fresh provisions made during the year					3,055.16	
Less: Excess provision reversed/Write-off loans					(3,625.97)	
<b>Closing balance of provisions held</b>	<b>10.75</b>	<b>1,069.71</b>	<b>2,732.15</b>	<b>202.35</b>	<b>4,004.21</b>	<b>4,014.96</b>
<b>Net NPAs</b>						
Opening Balance		691.53	501.77	-	1,193.30	
Add: Fresh additions during the year					1,945.95	
Less: Reductions during the year					(1,868.68)	
<b>Closing Balance</b>		<b>1,023.07</b>	<b>247.50</b>	<b>-</b>	<b>1,270.57</b>	
<b>Ratios</b>						
Gross NPA to Gross Advances (%)						1.39%
Net NPA to Net Advances (%)						0.34%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,547.53 crore as at 31<sup>st</sup> March, 2024.

As at 31<sup>st</sup> March, 2023

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	269,558.47	1,792.01	4,397.42	280.31	6,469.74	276,028.21
Add: Additions during the year					3,989.92	
Less: Reductions during the year (*)					(4,691.34)	
<b>Closing Balance</b>	<b>318,695.94</b>	<b>1,528.74</b>	<b>3,970.41</b>	<b>269.17</b>	<b>5,768.32</b>	<b>324,464.26</b>
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(2,041.37)	(2,041.37)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,859.60)	(1,859.60)
iii) Technical/Prudential Write-offs					(93.39)	(93.39)
iv) Write-offs other than those covered under (iii) above					(696.98)	(696.98)
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	41.57	863.11	3,589.61	280.31	4,733.03	4,774.60
Add: Fresh provisions made during the year					2,313.56	
Less: Excess provision reversed/Write-off loans					(2,471.57)	
<b>Closing balance of provisions held</b>	<b>28.03</b>	<b>837.21</b>	<b>3,468.64</b>	<b>269.17</b>	<b>4,575.02</b>	<b>4,603.05</b>
<b>Net NPAs</b>						
Opening Balance		928.90	807.81	-	1,736.71	
Add: Fresh additions during the year					1,676.36	
Less: Reductions during the year					(2,219.77)	
<b>Closing Balance</b>		<b>691.53</b>	<b>501.77</b>	<b>-</b>	<b>1,193.30</b>	
<b>Ratios</b>						
Gross NPA to Gross Advances (%)						1.78%
Net NPA to Net Advances (%)						0.37%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,449.75 crore as at 31<sup>st</sup> March, 2023.

## 10. MOVEMENT OF TECHNICAL WRITE-OFFS AND RECOVERIES

(₹ in crore)

Particulars	Year ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening balance of Technical / Prudential written-off accounts as at 1 <sup>st</sup> April	1,581.89	1,818.80
Add: Technical / Prudential write-offs during the year	-	93.39
Less: Recoveries / Reductions made from previously Technical / Prudential written-off accounts during the year	(481.05)	(330.30)
<b>Closing Balance as at 31<sup>st</sup> March</b>	<b>1,100.84</b>	<b>1,581.89</b>

11. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off is 80.07% as at 31<sup>st</sup> March 2024 (previous year 83.77%).

## 12. CONCENTRATION OF NPAs

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total Exposure to top twenty NPA accounts*	610.61	653.47
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	<b>11.58%</b>	<b>11.33%</b>

(\*) Above represents Gross NPA

13. RBI vide its circular dated 1<sup>st</sup> April 2019, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent (previous year exceed 10 percent) of the published net profits before provision and contingency for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent (previous year exceed 10 percent) of the published incremental Gross NPAs for the reference period, or both. There has been no divergence observed by RBI for the financial year 2022-23 (previous year Nil) in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

#### 14. SECTOR-WISE ADVANCES AND GROSS NPAs

(₹ in crore)

Sl. No	Sector	As at 31 <sup>st</sup> March, 2024		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
<b>A</b>	<b>Priority Sector</b>			
1	Agricultural and Allied Activities	42,885.36	1,646.23	3.84%
2	Advances to Industries Sector eligible as Priority sector lending, Of which exceeding 10%:	50,274.69	243.61	0.48%
	- Textiles	7,856.83	14.15	
	- Rubber, Plastic and their Products	5,213.98	5.57	
3	Services, Of which exceeding 10%:	74,059.32	795.13	1.07%
	- Wholesale Trade	23,346.39	137.88	
	- Logistics and Auxiliary transport activities	20,025.35	342.23	
4	Personal Loans and others, Of which exceeding 10%:	2,490.25	12.79	0.51%
	- Home Loans	1,631.08	4.06	
	- Micro Loans	539.63	7.48	
	<b>Sub-Total (A)</b>	<b>169,709.62</b>	<b>2,697.75</b>	<b>1.59%</b>
<b>B</b>	<b>Non Priority Sector</b>			
1	Agricultural and Allied Activities	1,283.10	72.37	5.64%
2	Industry, Of which exceeding 10%:	53,835.25	547.77	1.02%
	- Infrastructure	16,367.97	40.87	
3	- Services, Of which exceeding 10%:	49,540.84	576.36	1.16%
	- NBFC	7,219.02	-	
	- Real Estate	5,963.79	0.00 <sup>§</sup>	
	- Wholesale Trade	9,369.31	201.36	
	- Financial Intermediation excluding broking services	6,668.08	-	
4	Personal loans and others, Of which exceeding 10%:	105,721.41	1,380.52	1.31%
	- Home Loans	58,969.90	147.81	
	- Credit Cards	14,837.53	792.22	
	- Personal Loans	12,754.13	321.15	
	<b>Sub-Total (B)</b>	<b>210,380.61</b>	<b>2,577.03</b>	<b>1.22%</b>
	<b>Total (A+B)</b>	<b>380,090.23</b>	<b>5,274.78</b>	<b>1.39%</b>

<sup>§</sup> Amount is less than 50,000/-.





(₹ in crore)

Sl. No	Sector	As at 31 <sup>st</sup> March, 2023		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
<b>A</b>	<b>Priority Sector</b>			
1	Agricultural and Allied Activities	39,696.68	1,496.95	3.77%
2	Advances to Industries Sector, eligible as Priority sector lending Of which exceeding 10%:	53,833.32	221.74	0.41%
	- Textiles	7,573.27	20.62	
	- All Engineering	5,557.82	9.33	
3	Services, Of which exceeding 10%:	52,649.70	657.41	1.25%
	- Wholesale Trade	15,947.33	76.69	
	- Logistics and Auxillary transport activities	12,734.47	259.38	
4	Personal Loans and others, Of which exceeding 10%:	2,633.62	14.68	0.56%
	- Home Loans	1,314.41	0.91	
	- Micro Loans	1,086.18	8.14	
	<b>Sub-Total (A)</b>	<b>148,813.32</b>	<b>2,390.78</b>	<b>1.61%</b>
<b>B</b>	<b>Non Priority Sector</b>			
1	Agricultural and Allied Activities	566.95	65.93	11.63%
2	Industry, Of which exceeding 10%:	40,064.46	878.23	2.19%
	- Chemicals and Chemical Products	5,640.31	33.13	
	- Metal and Metal Products	5,247.28	43.81	
	- Infrastructure	5,004.10	40.87	
	- Vehicles, Vehicle Parts and Transport Equipments	4,428.25	39.22	
	- All Engineering	4,354.57	99.90	
3	- Services, Of which exceeding 10%:	41,602.20	542.05	1.30%
	- NBFC	10,591.48	-	
	- Real Estate	6,409.68	43.09	
	- Wholesale Trade	5,189.81	171.71	
	- Financial Intermediation excluding broking services	4,555.22	1.78	
4	Personal loans and others, Of which exceeding 10%:	93,417.34	1,891.33	2.02%
	- Home Loans	56,246.97	149.62	
	- Credit Cards	11,081.14	792.22	
	- Personal Loans	10,987.58	549.89	
	<b>Sub-Total (B)</b>	<b>175,650.94</b>	<b>3,377.54</b>	<b>1.92%</b>
	<b>Total (A+B)</b>	<b>324,464.26</b>	<b>5,768.32</b>	<b>1.78%</b>

\* Represents Gross Advances

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

## 15. PRIORITY SECTOR LENDING CERTIFICATES

The amount of PSLCs (category wise) Purchased and Sold during the year:

**As at 31<sup>st</sup> March, 2024:**

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	2,800.00	4,712.00
2	PSLC - SF / MF	11,290.00	-
3	PSLC - Micro Enterprises	-	27,342.00
4	PSLC – General	-	35,500.00
<b>TOTAL</b>		<b>14,090.00</b>	<b>67,554.00</b>

**As at 31<sup>st</sup> March, 2023:**

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	-	9,050.00
2	PSLC - SF / MF	9,360.00	-
3	PSLC - Micro Enterprises	-	28,477.75
4	PSLC – General	-	20,856.00
<b>TOTAL</b>		<b>9,360.00</b>	<b>58,383.75</b>


**16. DETAILS OF ACCOUNTS SUBJECTED TO RESTRUCTURING\***

(₹ in crore)

Particulars	Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023
Standard	19	101	1	-	391	685	1,027	1,505	1,438	2,291
Gross Amount (₹ crore)	12.45	14.57	19.71	-	312.59	546.50	149.24	265.14	493.99	826.21
Provision held # (₹ crore)	1.31	1.38	-	-	38.94	71.99	28.51	47.27	68.76	120.64
Substandard	203	70	-	-	95	144	10,841	7,365	11,139	7,579
Gross Amount (₹ crore)	5.71	7.66	-	-	53.52	47.94	105.69	86.41	164.92	142.01
Provision held (₹ crore)	1.44	1.45	-	-	17.49	25.57	47.78	41.87	66.71	68.89
Doubtful	259	183	11	7	663	603	3,510	23,057	4,443	23,850
Gross Amount (₹ crore)	41.92	14.51	211.00	198.39	167.17	166.28	154.57	400.14	574.66	779.32
Provision held (₹ crore)	37.82	12.18	211.00	190.06	147.66	121.30	134.98	370.51	531.46	694.05
<b>Total</b>	<b>481</b>	<b>354</b>	<b>12</b>	<b>7</b>	<b>1,149</b>	<b>1,432</b>	<b>15,378</b>	<b>31,927</b>	<b>17,020</b>	<b>33,720</b>
<b>Gross Amount (₹ crore)</b>	<b>60.08</b>	<b>36.74</b>	<b>230.71</b>	<b>198.39</b>	<b>533.28</b>	<b>760.72</b>	<b>409.50</b>	<b>751.69</b>	<b>1,233.57</b>	<b>1,747.54</b>
<b>Provision held (₹ crore)</b>	<b>40.57</b>	<b>15.01</b>	<b>211.00</b>	<b>190.06</b>	<b>204.09</b>	<b>218.86</b>	<b>211.27</b>	<b>459.65</b>	<b>666.93</b>	<b>883.58</b>

\*Restructuring as defined as per applicable regulations.

 # - does not include provisions made over regulatory requirement as on 31<sup>st</sup> March, 2024 amounting to ₹ 43.08 crore (previous year ₹ 82.50 crore).

## Disclosure on the scheme for MSME sector – restructuring of advances:

As at 31<sup>st</sup> March, 2024:

(₹ in crore)

No. of accounts restructured	Amount
650*	396.44

\* Disclosure given is at borrower level

As at 31<sup>st</sup> March, 2023:

(₹ in crore)

No. of accounts restructured	Amount
960*	630.78

\* Disclosure given is at borrower level

## Disclosure on Resolution of stressed assets:

In terms of the RBI circular dated 7<sup>th</sup> June 2019 on Prudential Framework for Resolution of Stressed Assets, during the financial year ended 31<sup>st</sup> March 2024, the Bank has implemented Resolution plan (RP) for Nil borrower (previous year one borrower), for which Inter Creditor Agreement (ICA) was executed under consortium arrangement / multiple banking arrangement. Borrowers for whom resolution plan is implemented under sole banking arrangement are not included here as no ICA is required.

In respect of certain borrowers with banking system exposure of ₹1,500 crore or more, where RP formulation / implementation was pending, the required additional provision has been made as required by RBI stipulations.

## 17. OVERSEAS ASSETS, NPAS AND REVENUE

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total Assets	8,962.40	7,168.17
Total NPAs	Nil	Nil
Total Revenue	506.05	266.38

## 18. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

Details of loans transferred/acquired for the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated 24<sup>th</sup> September, 2021 are given below:

- The Bank has not transferred any Loans not in default, Special Mention Account (SMA) and Non-performing Assets (NPAs) (previous year Nil).
- Details of Loans not in default acquired from eligible lenders through assignment:

(₹ crore except tenor)

Sr. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
1	Aggregate amount of loans acquired	1,784.43	404.97
2	Aggregate consideration paid	1,843.61	371.08
3	Weighted average residual maturity	1.41 years	1.9 years
4	Weighted average holding period of originator	0.53 years	3.26 years
5	Retention of beneficial economic interest	100%	Nil
6	Coverage of tangible security coverage (%)	Nil	100%
7	Rating-wise distribution of rated loans	Retail loans – NA	Retail loans – NA



(iii) Details of Special Mention Accounts (SMAs) acquired:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 <sup>th</sup> September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 <sup>st</sup> March, 2024	87.99	50.68	1.06
31 <sup>st</sup> March, 2023	176.79	110.87	1.89

(iv) Details of Non-performing Assets (NPAs) acquired:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 <sup>th</sup> September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years) \$
31 <sup>st</sup> March, 2024	1,979.11	76.00	1.53
31 <sup>st</sup> March, 2023	1,862.83	259.90	8.09

\$ - Weighted Average residual tenor of loans is excluding limit based facilities.

(v) Details of recovery ratings assigned for Security Receipts as :

Recovery Rating <sup>^</sup>	Anticipated Recovery as per Recovery Rating	Carrying Value* as at 31 <sup>st</sup> March, 2024 (₹ crore)	Carrying Value* as at 31 <sup>st</sup> March, 2023 (₹ crore)
NR1/R1+/RR1+	>150%	176.51	11.14
NR2/R1/RR1	100% - 150%	208.79	447.04
NR3/R2/RR2	75% - 100%	35.53	36.12
NR4/R3/RR3	50% - 75%	114.87	134.33
NR5/R4/RR4	25%-50%	0.01	2.09
NR6/R5/RR5	0% - 25%	-	-
Yet to be rated**	-	134.60	524.97
Unrated	-	0.27	0.09
<b>Total</b>		<b>670.58</b>	<b>1,155.78</b>

<sup>^</sup> - Recovery Rating is as assigned by various external rating agencies.

\* - Net of Provisions.

\*\* - Recent purchases whose statutory period has not elapsed.

## 19. UNSECURED ADVANCES

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total unsecured advances of the bank	87,573.75	66,348.92
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

## 20. BUSINESS RATIOS / INFORMATION

Particulars	Year ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Interest income as a percentage of working funds (A)	8.66%	7.72%
Non-Interest income as a percentage of working funds	1.94%	1.60%
Cost of deposits	4.77%	3.65%
Net Interest Margin (E)	5.32%	5.33%
Operating profit as a percentage of working funds (B) & (F)	3.71%	3.35%
Return on assets (average) (F)	2.61%	2.47%
Business (deposit plus advance) per employee (₹ in crore) (C)	9.63	8.73
Profit per employee (₹ in crore)	0.18	0.15

### Definitions:

- (A) Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X, during the 12 months of the financial year.
- (B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- (C) For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.
- (D) Productivity ratios are based on average number of employees.
- (E) Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense
- (F) Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

## 21. MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

31<sup>st</sup> March, 2024:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances <sup>^</sup>	559.22	3,812.33	4,630.36	6,668.53	13,260.60	9,760.99	16,456.09	54,301.68	160,349.60	38,999.66	67,276.21	<b>376,075.27</b>
Investments <sup>*</sup>	74,361.32	3,524.62	2,306.69	3,904.20	4,578.21	7,470.72	13,624.12	13,732.35	37,545.12	2,758.74	6,052.44	<b>169,858.53</b>
Deposits	11,356.30	19,025.36	11,245.44	13,740.69	22,070.82	20,158.35	73,866.27	71,021.81	204,968.15	1,133.61	366.95	<b>448,953.75</b>
Borrowings	449.12	31.21	353.95	578.85	789.30	2,012.33	4,022.36	9,485.09	5,533.86	417.03	4,695.00	<b>28,368.10</b>
Foreign Currency Assets	1,154.64	450.80	160.07	741.83	939.90	1,914.31	845.62	6,584.61	6,320.32	470.99	578.22	<b>20,161.31</b>
Foreign Currency Liabilities	3,090.17	1,544.80	720.03	1,634.90	1,754.59	1,627.41	2,329.41	3,852.66	2,118.91	1,629.11	259.72	<b>20,561.71</b>

<sup>\*</sup> Listed equity investments in AFS have been considered at 50% (₹ 596.23 crore) haircut as per RBI directions.

<sup>\*</sup> ₹15,051 crore of Standing Deposit Facility with RBI is considered.

<sup>^</sup> Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 15,653.46 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

31<sup>st</sup> March, 2023:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances <sup>^</sup>	1,553.16	2,642.88	3,061.59	5,074.61	10,837.81	12,140.90	15,807.61	45,951.14	131,141.29	32,275.74	59,374.48	<b>319,861.21</b>
Investments <sup>*</sup>	35,764.85	3,523.26	1,901.66	4,731.83	4,183.72	3,687.30	10,611.74	12,703.37	36,661.58	2,534.34	4,501.39	<b>120,805.04</b>
Deposits	10,741.88	17,067.46	9,838.68	8,290.28	16,739.01	14,526.90	44,617.13	54,387.26	184,654.71	1,812.81	419.93	<b>363,096.05</b>
Borrowings	367.14	4,889.49	295.93	2,050.35	1,400.80	438.69	5,633.50	1,968.55	3,600.12	971.70	1,800.00	<b>23,416.27</b>
Foreign Currency Assets	2,514.86	1,903.04	526.53	1,921.90	1,585.60	1,885.48	2,480.10	2,209.10	2,793.99	779.95	261.42	<b>18,861.97</b>
Foreign Currency Liabilities	972.87	379.53	166.33	285.98	233.55	341.68	1,528.95	1,738.82	7,328.11	875.90	478.66	<b>14,330.38</b>

<sup>\*</sup> Listed equity investments in AFS have been considered at 50% (₹ 598.68 crore) haircut as per RBI directions.

<sup>^</sup> Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 5,682.10 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.



## 22. EXPOSURES

### (a) Exposure to Real Estate Sector\*:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
a) Direct exposure	72,926.43	70,670.46
i. Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31 <sup>st</sup> March, 2024 ₹ 1,836.47 crore and as at 31 <sup>st</sup> March, 2023 ₹ 1,441.90 crore). Exposure also includes non-fund based (NFB) limits	45,407.61	46,438.51
ii. Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits	27,518.82	24,231.95
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures– – Residential, – Commercial Real Estate	-	-
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,313.34	5,924.40
	3,313.34	5,924.40
<b>Total Exposure to Real Estate Sector (a+b)</b>	<b>76,239.77</b>	<b>76,594.86</b>

\* On limit basis or outstanding basis whichever is higher.

### (b) Exposure to Capital Market\*:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
i. 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;#	1,967.29	2,362.01
ii. 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;	979.74	844.77
iii. 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;	-	-
iv. 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;	4,363.65	4,643.95
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	2,604.48	2,449.04
vi. Loans sanctioned to corporates 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;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	581.62	1,293.16
ix. Financing to stockbrokers for margin trading;	1,900.40	1,090.94
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	1,735.62	30.54
xi. Others (Financial Guarantees)	293.09	219.92
<b>Total Exposure to Capital Market*</b>	<b>14,425.89</b>	<b>12,934.33</b>

 # The above amount excludes shares/convertible bonds aggregating to ₹ 10.52 crore (previous year ₹ 27.74 crore) acquired due to conversion of debt to equity under restructuring process. As per para 20 of DBR.No.BP.BC.101/21.04.048/2017-18 dated 12<sup>th</sup> February, 2018, the above amount is exempt from regulatory ceilings/restriction on capital market exposure.

\* On limit basis or outstanding basis whichever is higher.

(c) **Risk category wise country exposure:**

As per extant RBI guidelines, the country exposure of the Bank is categorized into various risk categories listed in following table.

(₹ in crore)

Risk Category	Exposure (net)	Provision held	Exposure (net)	Provision held
	as at 31 <sup>st</sup> March, 2024	as at 31 <sup>st</sup> March, 2024	as at 31 <sup>st</sup> March, 2023	as at 31 <sup>st</sup> March, 2023
Insignificant	9,976.36	-	8,255.85	-
Low	452.75	-	425.56	-
Moderately Low	64.09	-	2.74	-
Moderate	-	-	-	-
Moderately High	-	-	-	-
High	38.83	-	-	-
Very High	-	-	-	-
<b>Total</b>	<b>10,532.02</b>	<b>-</b>	<b>8,684.15</b>	<b>-</b>

Exposure is given as net exposure basis the definition given in circular dated 19<sup>th</sup> February, 2003

**23. CONCENTRATION OF DEPOSITS**

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total deposits of twenty largest depositors	41,269.42	29,947.17
Percentage of deposits of twenty largest depositors to total deposits of the Bank	9.19%	8.25%

**24. CONCENTRATION OF ADVANCES\***

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total advances to twenty largest borrowers	47,885.53	42,999.39
Percentage of advances to twenty largest borrowers to total advances of the bank	7.10%	7.37%

\* Advances have been computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, have been reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, Bank has reckoned the outstanding as the credit exposure.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

**25. CONCENTRATION OF EXPOSURES\*\***

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total exposure to twenty largest borrowers/customers	55,876.33	49,375.62
Percentage of exposures to twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	7.78%	8.01%

\*\* Exposures represents credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC. 12/13.03.00/2015-16 dated 1<sup>st</sup> July, 2015.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.





## 26. DISCLOSURE ON RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS

In accordance with Resolution Framework for COVID-19 announced by RBI on 6<sup>th</sup> August, 2020 and 5<sup>th</sup> May, 2021, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The disclosure requirements as required by RBI circular dated 6<sup>th</sup> August, 2020 (Resolution Framework 1.0) and 5<sup>th</sup> May 2021 (Resolution Framework 2.0) as at 31<sup>st</sup> March 2024 is given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half - year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half - year <sup>#</sup>	Of (A) amount paid by the borrowers during the half-year <sup>^</sup>	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of this half – year
Personal Loans	88.19	1.50	0.09	33.22	53.47
Corporate persons*	36.60	0.03	0.03	6.01	30.56
Of which, MSMEs	29.56	-	-	4.34	25.22
Others	61.47	0.06	0.00 <sup>§</sup>	8.51	52.90
<b>Total</b>	<b>186.26</b>	<b>1.59</b>	<b>0.12</b>	<b>47.74</b>	<b>136.93</b>

\* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016.

<sup>#</sup> includes debt that slipped into NPA and was subsequently written off during the half-year.

<sup>^</sup> includes change in balances on account of interest and net of increase in exposure during the period.

<sup>§</sup> Amount less than ₹ 50,000/-.

27. The factoring exposure of the Bank as at 31<sup>st</sup> March, 2024 is ₹ 4,710.44 crore (previous year ₹ 2,243.88 crore).

28. During the year, the Reserve Bank of India has levied a penalty of ₹ 3.96 crore (previous year ₹ 1.07 crore) on the Bank for the following:

### Year ended 31<sup>st</sup> March 2024:

- ₹ 1 crore on account of failure to carryout annual review / due diligence of service provider.
- ₹ 1 crore on account of failure to ensure that customers are not contacted after 7 pm and before 7 am.
- ₹ 1 crore on account of levying interest from disbursement due date / loan agreement and not from the date of first disbursement of the loan contrary to the terms & conditions of sanction.
- ₹ 0.95 crore on account of charging foreclosures charges for the loans recalled by the Bank.
- ₹ 0.005 crore for 3 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

### Year ended 31<sup>st</sup> March 2023:

- ₹ 0.30 crore on account of delayed credit of eligible amount to the Depositor Education and Awareness Fund within the period prescribed.
- ₹ 0.30 crore on account of failure to credit (shadow reversal) of the amount involved in the unauthorised electronic transactions to the customers' account within period prescribed.
- ₹ 0.45 crore on failure to maintain/ apply margin on advances to stock brokers.
- Penal interest of ₹ 0.017 crore for default in maintenance of Cash Reserve Ratio (CRR) on an average basis for a fortnight.
- ₹ 0.002 crore for 2 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

29. There are no Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) (previous year Nil).

### 30. BANCASSURANCE BUSINESS

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
1.	For selling life insurance policies	691.84	380.18
2.	For selling non life insurance policies	77.99	32.04
3.	For selling mutual fund products	278.01	245.84
4.	Others	-	-

This Income has been reflected under Commission, exchange and brokerage under Other Income.

### 31. FLOATING PROVISIONS

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
(a) Opening balance in the floating provisions account	Nil	Nil
(b) The quantum of floating provisions made in the accounting year	Nil	Nil
(c) Amount of draw down made during the accounting year	Nil	Nil
(d) Closing Balance in floating provisions account	Nil	Nil

### 32. DRAW DOWN FROM RESERVES

In accordance with the RBI requirement there are no draw downs from reserves during the year (previous year Nil).

#### 33. a) Status of Shareholder Complaints:

Sr. No.	Particulars	Year Ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
(a)	No. of complaints pending at the beginning of the year	0	2
(b)	No. of complaints received during the year	23	35
(c)	No. of complaints redressed during the year	23	37
(d)	No. of complaints pending at the end of the year	0	0

#### b) Summary information on complaints received by the bank from customers and from the Offices of the Banking Ombudsman (OBOs):

Sr. No.	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Complaints received by the bank from its customers(*)</b>			
1.	Number of complaints pending at beginning of the year	11,218	8,195
2.	Number of complaints received during the year	292,085	235,655
3.	Number of complaints disposed during the year	286,885	232,632
3.1	Of which, number of complaints rejected by the bank	125,105	109,209
4.	Number of complaints pending at the end of the year	16,418	11,218
* No of complaints reported are excluding complaints redressed in 0 & 1 day.			
<b>Maintainable complaints received by the bank from OBOs</b>			
5.	Number of maintainable complaints received by the bank from OBOs	5,693*	4,921*
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,529	2,267
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3,164	2,654
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 (Previously BO Scheme 2006) and covered within the ambit of the Scheme.

\*Data is as received from CEPD, RBI


**Top five grounds of complaints received by the bank 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	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>31<sup>st</sup> March, 2024</b>					
ATM/Debit Cards	1,126	80,267	0.3%	5,312	3,687
Internet Banking /Mobile Banking/E-Banking	5,686	63,287	(6)%	1,693	978
Credit Cards	924	31,345	77%	6,051	4,575
Account opening/difficulty in operation of accounts	660	15,641	(1)%	320	117
Levy of charges without prior notice/excessive charges/foreclosure charges	365	12,561	69%	350	140
Others	2,457	88,984	88%	2,692	1,044
<b>Total</b>	<b>11,218</b>	<b>292,085</b>	<b>24%</b>	<b>16,418</b>	<b>10,541</b>
<b>31<sup>st</sup> March, 2023</b>					
ATM/Debit Cards	3,088	80,053	12%	1,126	187
Internet Banking /Mobile Banking/E-Banking	3,501	67,304	33%	5,686	1,883
Credit Cards	302	17,687	51%	924	350
Account opening/difficulty in operation of accounts	297	15,770	6%	660	22
Levy of charges without prior notice/excessive charges/foreclosure charges	112	7,449	21%	365	5
Others	895	47,392	10%	2,457	256
<b>Total</b>	<b>8,195</b>	<b>235,655</b>	<b>19%</b>	<b>11,218</b>	<b>2,703</b>

Note: The master list for identifying the grounds of complaints is provided in Appendix 1 as prescribed in Master Circular on Strengthening of Grievance Redress Mechanism in Bank (CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21; dtd 27<sup>th</sup> January 2021.)

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

**34. MARKETING AND DISTRIBUTION (EXCLUDING BANCASSURANCE BUSINESS)**

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
1.	Referral Fees	389.12	339.00
2.	Arrangers Fees	185.60	225.01
3.	Income on distribution of Sovereign Gold Bond	3.67	0.83
4.	Other Income	7.15	8.37

Above has been reflected under Commission, exchange and brokerage under Other Income.

## 35. DISCLOSURES ON REMUNERATION

### A. Qualitative Disclosures:

#### a) Information relating to the composition and mandate of the Remuneration Committee:

The Nomination & Remuneration committee comprises of independent directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the overall design and operation of the compensation policy of the Bank and work in coordination with the Risk Management Committee to achieve alignment between risks and remuneration.

The Nomination and Remuneration Committee (NRC) will be, inter alia, reviewing and tracking the implementation of the Compensation Policy of the Bank. The NRC will comprises of at least 3 Non-executive Directors, out of which at least two third of the members should be independent directors and should include at least one member from the Bank's Risk Management Committee of the Board. (RMC).

#### b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:<sup>2</sup>

Objective of Banks' Compensation Policy is:

- To maintain fair, consistent and equitable compensation practices in alignment with Bank's core values and strategic business goals;
- To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking;
- To have mechanisms in place for effective supervisory oversight and Board engagement in compensation;
- To ensure that the Compensation practices are within the regulatory framework stipulated from time to time by RBI.

The remuneration process is aligned to the Bank's Compensation Policy objectives.

#### c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable. Further reasonable portion variable compensation is non- cash and deferred, over a period of 3 years or longer.

In case the employee is retiring within next 2 years, cash to non-cash ratio may change in favor of more cash (including deferred cash) and the vesting schedule may be shorter.

In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any disciplinary issue or future drop in performance of individual/ business/ company.

#### d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:<sup>3</sup>

Individual performances are assessed in line with business/ individual delivery of the Key Result Areas (KRAs), top priorities of business, budgets etc. KRAs of Line roles are linked to financials, people, service and process (Quality) and compliance parameters and KRAs of non-Line Roles have linkage to functional deliveries needed to achieve the top business priorities.

Further remuneration process is also linked to market salaries / job levels, business budgets and achievement of individual KRAs.

#### e) A discussion of the banks' policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

##### A discussion on Policy on Deferral of Remuneration basis last amendment effective 22<sup>nd</sup> July, 2023

Employees have been broadly classified into following categories:

- Category I – Comprising MD & CEO and Whole Time Directors (WTDs).
- Category II – Material Risk Takers (MRTs). These include employees whose actions may have material impact on the risk exposures of the bank and who satisfy both - qualitative and quantitative criteria, as given below:
  - Qualitative Criteria: Employees in the grade M10 and above
  - Quantitative Criteria: Fixed Cost to Company (FCTC) is above ₹ 1.25 Crore p.a.

This excludes employees under Category III.

- Category III – Risk control and compliance employees – comprising staff in grade M9 and above in the following Control functions;
  - Risk & Policy function
  - Financial Control including group consolidation;
  - Compliance;
  - Internal Audit;
  - Back-office Operations

<sup>2</sup> GRI 2-19

<sup>3</sup> GRI 2-20



- Vigilance
  - Legal
  - Secretarial
  - HR
  - Investor Relations
  - CSR
- Category IV: Other employees - This includes all employees, not explicitly covered in the first three categories.

Following principles are applied for deferral / vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

#### Category I & II

- At least 50% of Total Pay, should be variable for arriving at the total compensation for the year.
- The Cash component of the Variable Pay will not exceed 50% of the Fixed Pay.
- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
- Regardless of the quantum of pay, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

The compensation will be approved by the Nomination and Remuneration committee. Additionally, for Category I, the same will be further approved by RBI.

#### Category III

- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

Approval authority: MD & CEO or as delegated by MD & CEO, will approve the variable pay.

#### For adjusting deferred remuneration before & after vesting:

**Malus:** Payment of all or part of amount of deferred variable pay can be prevented.

**Clawback:** Previously paid or already vested deferred variable pay can also be recovered under this clause.

Malus and clawback may be applied for following circumstances:

- Fraud, misfeasance, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates;
- Willful misinterpretation / misreporting of financial performance of the bank;
- Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly;
- Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature;
- Non-disclosure of material conflict of interest by the employee or any misuse of official powers;
- An act of willful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise;
- Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or / and clawback provisions;

Besides the above there can be other circumstances when malus may be applied. In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality.

**f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:**

Depending on the nature of the business/function/ role, the risk involved, the time horizon for review, various forms of Variable Pay may be applicable.

The components of such variable pay will include:

- Cash – this may be paid at intervals ranging from Monthly, Quarterly, Half-Yearly and Annual. The Monthly/ Quarterly / Half Yearly Variable Pay will be under the role and preapproved business specific incentive schemes. This may be payable within one year of grant.
- Long Term Incentive Pay (LTIP): This shall be granted to employees, in the form of Employee Stock Options (ESOPs) and / or Stock Appreciation Rights (SARs) and / or Deferred Cash. This shall be granted on a discretionary and reasonable basis, to motivate employees, create shareholder value by aligning interest of employees with the long-term interests of the Bank. LTIP may also be granted from time to time with the objective of retaining employees.
  - ESOPs/ SARs will be linked to Kotak Mahindra Bank Stock price and will vest over a period of time.
  - Black Scholes Model will generally be applied for arriving at the value of the units to be granted. However, Bank may choose any other model with the approval of NRC within the regulatory framework.
  - ESOPs / SARs will be approved by the NRC. The quantum of ESOPs / SARs will be reasonable and the formulation of the ESOP series, the coverage, the vesting period and their pricing schedule, etc. will also be decided by the NRC as per SEBI guidelines.
  - Deferred Cash may be paid over a period of 3 to 5 years.

**B. Quantitative Disclosures:**

**a) Number of meetings of the Nomination and Remuneration Committee held during the financial year and remuneration (sitting fees) paid to its members during the financial year.**

During the financial year ended 31<sup>st</sup> March, 2024, 14 meetings (previous year 8 meetings) of the Nomination and Remuneration Committee were held. Members of the Nomination and Remuneration Committee were paid, for attending the meetings held during the financial year, a sitting fee of ₹ 75,000 per meeting [previous year ₹ 50,000 per meeting (for the meetings held before 22<sup>nd</sup> October, 2022) and ₹ 60,000 per meeting (for the meetings held on or after 22<sup>nd</sup> October, 2022)].

**b) Number of employees having received a variable remuneration award during the financial year.**

**As per FY24 policy for the year ended 31<sup>st</sup> March 2024 ("FY2024 policy"):**

Quantitative disclosure restricted to one CEO\* & two Whole Time Directors as Category I employees and Seventy Seven Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

\*Plus 2 CEOs during the year.

**As per FY23 policy for the year ended 31<sup>st</sup> March 2023 ("FY2023 policy"):**

Quantitative disclosure restricted to CEO & four Whole Time Directors as Category I employees and Fifty Nine Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

All quantitative disclosures are as per FY2024 policy which is applicable from 22<sup>nd</sup> July, 2023.

**c) Number of employees and total amount of sign-on/joining bonus made during the financial year.**

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
No of employees	7	5
Cash (Cr)	Nil	Nil
ESOPs (equity shares)	217,400	15,820
SARs (rights)	51,813	296,350

**d) Details of severance pay, in addition to accrued benefits, if any.**

Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Nil	Nil


**e) Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms.**

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Cash (Deferred)	₹ 35.24 crore	₹ 29.39 crore
Outstanding SARs	829,064 rights	650,239 rights
Outstanding ESOPs	859,823 equity shares	779,707 equity shares

**f) Total amount of deferred remuneration paid out in the financial year.**

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Cash (Deferred)	₹ 12.2 crore	₹ 7.20 crore
Payment towards SARs	₹ 42.25 crore	₹ 19.24 crore

**g) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.**
**Fixed Pay:**

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Total fixed salary	₹ 155.13 crore	₹ 118.60 crore

**Variable Pay:**

	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Deferred Variable Pay<sup>§</sup></b>		
Cash (Deferred)	₹ 20.73 crore	₹ 16.67 crore
SARs	415,361 rights	484,740 rights
ESOPs	434,647 equity shares	449,142 equity shares
<b>Non Deferred variable pay<sup>§</sup></b>	₹ 26.25 crore	₹ 22.84 crore

<sup>§</sup> Details relating to variable pay pertains to remuneration awards for the financial year 2022-23 awarded in FY2024. Remuneration award for the year ended 31<sup>st</sup> March, 2024 are yet to be reviewed and approved by the Nomination and Remuneration Committee.

**h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.**

Nil (previous year Nil)

**i) Total amount of reductions during the financial year due to ex- post explicit adjustments.**

Nil (previous year Nil)

**j) Total amount of reductions during the financial year due to ex- post implicit adjustments.**

Nil (previous year Nil)

**k) Number of MRT identified.**

82 (previous year 64)

**l) Number of cases where malus has been exercised.**

Nil (previous year Nil)

**m) Number of cases where clawback has been exercised.**

Nil (previous year Nil)

**n) Number of cases where both malus and clawback have been exercised.**

Nil (previous year Nil)

**o) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.**

Mean pay for the Bank as a whole for all employees who were in employment for the whole of FY2023-24 and FY2022-23 was ₹ 0.12 crore (previous year ₹ 0.11 crore).

Ratio of pay of each WTD to the mean pay for the bank as a whole<sup>4</sup>

Director	Ratio	
	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Mr Uday Kotak	3.53X	0.04X
Mr Dipak Gupta	67.40X	49.64X
Mr K.V.S. Manian	50.18X	47.80X
Mr Gaurang Shah	-	45.72X
Ms. Shanti Ekambaram	54.63X	19.38X
Mr. Ashok Vaswani	13.40X	NA

Notes:

1. Pay includes Fixed pay + variable pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961, (excluding perquisite value of Stock Options).
2. Stock Appreciation Rights are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified dates. Cash paid out during the year is included for the purposes of remuneration.
3. Remuneration of Mr. Uday Kotak includes NED commission for FY2023-24.
4. Mr. Dipak Gupta's remuneration for the FY 2023-24 is including one time settlement of retirement benefit.
5. Ms. Shanti Ekambaram remuneration for the FY2022-23 is for 5 Months (Appointed as WTD effective Nov'22).
6. Mr. Ashok Vaswani's remuneration is from 1<sup>st</sup> Jan 2024 till 31<sup>st</sup> Mar 2024.

**36. INTRA – GROUP EXPOSURES**

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
(a) Total amount of intra-group exposures	6,624.16	6,041.96
(b) Total amount of top-20 intra-group exposures	6,620.09	6,036.98
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.92%	0.98%
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NA	NA

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

**37. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)**

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening balance of amounts transferred to DEA Fund	356.42	303.00
Add: Amounts transferred to DEA Fund during the year	67.51	56.22
Less: Amounts reimbursed by DEA Fund towards claim	11.93	2.80
Closing balance of amounts transferred to DEA Fund	<b>412.00</b>	<b>356.42</b>

<sup>4</sup> GRI 2-21





### 38. UNHEDGED FOREIGN CURRENCY EXPOSURE OF BORROWERS

The Bank recognises the importance of the risk of adverse fluctuation of foreign exchange rates on the profitability and financial position of borrowers who are exposed to currency risk. Currency induced credit risk refers to the risk of inability of borrowers to service their debt obligations due to adverse movement in the exchange rates and corresponding increase / decrease in their book values of trade payables, loan payables, trade receivables, etc. thereby exposing the Bank to risk of default by the borrower. In this regard, the Bank had put in place requisite policies & processes for monitoring and mitigation of currency induced credit risk of borrowers. These include the following:

- a) Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.
- b) Quarterly monitoring of un-hedged foreign currency exposures of borrowers.
- c) Risk classification of borrowers having un-hedged foreign currency exposures, into Low / Medium / High, as per internal norms, based on potential loss / EBID ratio. Potential loss means the loss which may be arise over a one year horizon by adverse movement of exchange rates; this is computed as UFCE amount multiplied by the annual volatility factor.
- d) Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the potential loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counterparties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Potential Loss / EBID ratio	Incremental Provisioning Requirement (computed on the total credit exposures reckoned for standard asset provisioning)	Incremental Capital Requirement
Up to 15%	Nil	Nil
More than 15% to 30%	20 bps	Nil
More than 30% to 50%	40 bps	Nil
More than 50% to 75%	60 bps	Nil
More than 75% (Most risky)	80 bps	25 per cent increase in the risk weight

- e) In case of borrowers exposed to currency risk where declarations for foreign currency payables / receivables (UFCE declarations) are not submitted, provision for currency induced credit risk is made as per RBI stipulated rates mentioned below:
  - 10 bps in cases where limits with banking system are ₹ 50 crore or less;
  - 80 bps in cases where limits with banking system are more than ₹ 50 crore.
- f) Further, where annual certification from statutory auditors of UFCE data is not submitted, such borrowers are treated as UFCE declaration not submitted cases and provision is computed as per point (e) above.
- g) Exemption allowed by RBI are excluded from UFCE provision computation, including specified all India financial institutions, multilateral agencies, domestic & foreign sovereigns, and other exemptions. Further, 100% FD backed exposure is not reckoned as exposure as per RBI definition and thus not reckoned by the Bank for UFCE provision computation. Similarly, LCBD and BG/LC backed exposures are considered as exposure to LC/ SBLC issuing banks and not to borrower entity.
- h) Management of foreign exchange risk is considered as a parameter for internal risk rating of borrowers.

Provision held for currency induced credit risk as at 31<sup>st</sup> March, 2024 is ₹ 73.55 crore. (previous year ₹ 62.85 crore). Incremental Risk weighted Assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at 31<sup>st</sup> March, 2024 is ₹ crore 3,154.68 crore (previous year ₹ 1,393.73 crore).

**39. a) Liquidity Coverage Ratio**

(₹ in crore)

Particulars	Average Q4 2023-2024		Average Q3 2023-2024		Average Q2 2023-2024		Average Q1 2023-2024	
	67		68		69		66	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)		<b>119,711</b>		<b>118,818</b>		<b>117,322</b>		<b>102,187</b>
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	40,923	2,046	40,053	2,003	38,014	1,901	36,398	1,820
(ii) Less stable deposits	201,581	20,158	195,223	19,522	187,351	18,735	178,229	17,823
3 Unsecured wholesale funding, of which								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	120,099	74,115	120,801	74,669	117,751	72,107	106,623	64,521
(iii) Unsecured debt	4,016	4,016	3,933	3,933	4,420	4,420	3,194	3,194
4 Secured wholesale funding	968	2	180	2	422	2	2,485	2
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	28,659	28,659	28,883	28,883	24,699	24,699	22,563	22,563
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities	3,102	336	2,773	289	3,627	446	3,078	280
6 Other contractual funding obligations	9,024	9,024	8,590	8,590	6,782	6,782	5,574	5,574
7 Other contingent funding obligations	208,184	9,330	203,218	9,055	195,440	8,702	188,564	8,432
8 <b>Total Cash Outflows</b>		<b>147,686</b>		<b>146,946</b>		<b>137,794</b>		<b>124,209</b>
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repos)	5,566	10	10,405	5	8,307	10	1,914	7
10 Inflows from fully performing exposures	61,638	51,305	55,600	46,809	47,064	39,625	41,700	34,880
11 Other cash inflows	1,081	541	1,388	694	1,024	512	1,316	658
12 <b>Total Cash Inflows</b>		<b>51,856</b>		<b>47,508</b>		<b>40,147</b>		<b>35,545</b>
		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
13 TOTAL HQLA		119,711		118,818		117,322		102,187
14 Total Net Cash Outflows		95,830		99,438		97,645		88,665
15 Liquidity Coverage Ratio (%)		124.92%		119.49%		120.15%		115.25%



(₹ in crore)

Particulars	Average Q4 2022-2023			Average Q3 2022-2023			Average Q2 2022-2023			Average Q1 2022-2023		
	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)
<b>High Quality Liquid Assets</b>												
1 Total High Quality Liquid Assets (HQLA)		94,801			87,406			84,712			86,305	
<b>Cash Outflows</b>												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	35,145	1,757	34,061	1,703	33,190	1,660	32,115	1,606				
(ii) Less stable deposits	173,408	17,341	169,013	16,901	164,832	16,483	161,514	16,151				
3 Unsecured wholesale funding, of which												
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	100,655	60,172	94,936	57,145	96,357	56,987	99,977	57,552				
(iii) Unsecured debt	1,378	1,378	601	601	952	952	564	564				
4 Secured wholesale funding		3		3		1						
5 Additional requirements, of which												
(i) Outflows related to derivative exposures and other collateral requirements	21,638	21,638	24,140	24,140	21,971	21,971	18,054	18,054				
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-				
(iii) Credit and liquidity facilities	3,193	295	2,996	250	2,962	243	2,846	233				
6 Other contractual funding obligations	5,489	5,489	5,699	5,699	6,146	6,146	6,166	6,166				
7 Other contingent funding obligations	182,760	8,151	178,244	7,960	168,532	7,514	161,654	7,212				
<b>Total Cash Outflows</b>		<b>116,224</b>		<b>114,402</b>		<b>111,957</b>		<b>107,538</b>				
<b>Cash Inflows</b>												
9 Secured lending (e.g. reverse repos)	832	6	1,154	2	3,399	-	6,759	-				
10 Inflows from fully performing exposures	41,759	34,406	44,710	38,186	43,046	35,970	38,180	31,511				
11 Other cash inflows	809	405	1,067	534	1,663	832	2,243	1,122				
<b>Total Cash Inflows</b>		<b>34,817</b>		<b>38,722</b>		<b>36,802</b>		<b>32,633</b>				
		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>				
13 TOTAL HQLA		94,801		87,406		84,712		86,305				
14 Total Net Cash Outflows		81,407		75,680		75,155		74,905				
15 Liquidity Coverage Ratio (%)		116.45%		115.49%		112.72%		115.22%				

## b) Qualitative disclosure around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks 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. Level 1 HQLA which comprises of primarily cash, excess CRR, SLR securities in excess of minimum SLR requirement and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA 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 by the outflow run-off rates and 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.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31<sup>st</sup> March, 2024 was 124.92% which is above the regulatory requirement of 100%. For the quarter ended 31<sup>st</sup> March, 2024 average Level 1 HQLA stood at 95.10% (₹ 113,839 crore.) of the total HQLA.

Apart from LCR, Bank uses various stock liquidity indicators to measure and monitor the liquidity risk in terms of funding stability, concentration risk, dependence on market borrowings, liquidity transformation, etc. The Bank maintains a diversified source of funding in terms of depositors, lenders and various funding instruments. This is evident through low depositor and lender concentration with top 20 depositors contributing 9.19% of Bank's total deposits and top 10 lenders contributing 3.52% of Bank's total liabilities.

Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management supported by Balance Sheet Management Unit (BMU), Risk Management Department (RMD), Finance and ALCO Support Group. BMU is the central repository of funds within the Bank and is vested with the responsibility of managing liquidity risk within the risk appetite of the Bank. Bank has incorporated Basel III Liquidity Standards - LCR and NSFR as part of its risk appetite statement for liquidity risk.

## 40 FRAUDS

The Bank has reported 896 (previous year 706 cases) fraud cases involving fraud amount of one lakh and above during the financial year ended 31<sup>st</sup> March 2024 amounting to ₹ 97.91 crore (previous year ₹ 72.40 crore). The Bank has recovered / expensed off / provided the entire amount where necessary.

### Details of fraud provisioning made in more than one financial year:

(₹ in crore)

Number of fraud reported	Amount involve in Fraud	Provision made during the year	Quantum of unamortised provision debited from 'other reserve'
Nil	Nil	Nil	Nil

## 41. DIVIDEND

The Board of Directors of the Bank have a proposed a dividend of ₹ 2.00 per share having a face value ₹ 5 for the year ended 31<sup>st</sup> March, 2024 (previous Year ₹ 1.50 per share). Dividend will be paid after the approval of the shareholders at the Annual General Meeting.

## 42. PAYMENT OF DICGC INSURANCE PREMIUM

(₹ in crore)

Sr. No.	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
i)	Payment of DICGC Insurance Premium	454.48	378.01
ii)	Arrears in payment of DICGC Premium	-	-

## 43. IMPLEMENTATION OF IFRS CONVERGED INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Finance, Government of India, had vide its press release dated 18<sup>th</sup> January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards ("IFRS") converged Indian Accounting Standards ("Ind AS") for Scheduled Commercial Bank (excluding RRBs), Non-Banking Financial Companies and Insurance companies. The Reserve Bank of India ("RBI") vide its circular dated 22<sup>nd</sup> March, 2019, deferred the implementation of Ind AS for Scheduled Commercial Banks ("SCB") till further notice pending the consideration of some recommended legislative amendments by the Government of India. The RBI has not issued any further notification on implementation of Ind AS for SCBs.

The Bank has so far taken following steps for Ind AS implementation:

- I. Formed Steering Committee for Ind AS implementation. The Steering Committee headed by the Joint Managing Director ('JMD') comprises representatives from Finance, Risk, Information Technology and Treasury. The Committee closely reviews progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation.
- II. The Bank is currently in the process of implementing an IT Solution for IndAS reporting. Further, there may be new regulatory guidelines and clarifications for Ind AS application, which the Bank will need to suitably incorporate in its implementation.


**44. DISCLOSURE ON AMORTISATION OF EXPENDITURE ON ACCOUNT OF ENHANCEMENT IN FAMILY PENSION OF EMPLOYEES OF BANKS**

Pursuant to the revision in family pension payable to employees of the Bank covered under 11<sup>th</sup> Bi-Partite settlement and Joint Note dated 11<sup>th</sup> November, 2020, the Bank has recognised the entire additional liability of ₹ Nil in the Profit and Loss Account during the year ended 31<sup>st</sup> March, 2024 (previous year Nil). There is no unamortised expenditure in the Balance Sheet on account of Family Pension.

**45. ITEMS EXCEEDING 1% OF TOTAL ASSETS/TOTAL INCOME**

- Details of items under Others (including provisions) (Schedule 5 – Other Liabilities and Provisions) exceeding 1% of total assets of the Bank is Nil. (previous year Nil).
- Details of items under Others (Schedule 11 – Other Assets) exceeding 1% of total assets of the Bank is Nil (previous year Nil).
- Details of items under Miscellaneous Income (Schedule 14 – Other Income) exceeding 1% of total income of the Bank is Nil. (previous year Nil).
- Details of items under Other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

(₹ in crore)

Sr. No.	Nature of expense	Year ended 31 <sup>st</sup> March, 2024
1	Professional Fees	1,955.94
2	Brokerage Fees	770.58

(₹ in crore)

Sr. No.	Nature of expense	Year ended 31 <sup>st</sup> March, 2023
1	Professional Fees	1,647.68
2	Brokerage Fees	707.83
3	Goods and Service Tax (GST) Expense	509.47

**B. OTHER DISCLOSURES:**
**1. EARNINGS PER EQUITY SHARE**

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Reconciliation between weighted shares used in the computation of basic and diluted earnings per share		
Weighted average number of equity shares used in computation of basic earnings per share	1,987,326,015	1,985,666,543
Effect of potential equity shares for stock options outstanding	150,565	502,301
Weighted average number of equity shares used in computation of diluted earnings per share	1,987,476,580	1,986,168,844
Following is the reconciliation between basic and diluted earnings per share		
Nominal value per share	5.00	5.00
Basic earnings per share	69.15	54.89
Effect of potential equity shares for stock options	0.00	0.02
Diluted earnings per share	69.15	54.87
Profit for the year after tax (₹ in crore)	13,781.58	10,939.30
Less : Preference dividend including tax (₹ in crore)	38.51	40.50
Earnings used in the computation of basic and diluted earnings per share (₹ in crore)	13,743.07	10,898.80

## 2. SEGMENT REPORTING

The Summary of the operating segments of the Bank are as given below:

(₹ in crore)

Sr. No.	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>1.</b>	<b>Segment Revenue</b>		
a.	Treasury, BMU and Corporate Centre	10,122.25	6,923.67
b.	Corporate / Wholesale Banking	22,788.95	18,130.83
c.	Retail Banking	27,831.08	19,179.15
d.	Other Banking business	-	-
	<b>Sub-total</b>	<b>60,742.28</b>	<b>44,233.65</b>
	Less : Inter-segmental revenue	4,670.27	2,899.75
	<b>Total</b>	<b>56,072.01</b>	<b>41,333.90</b>
<b>2.</b>	<b>Segment Results</b>		
a.	Treasury, BMU and Corporate Centre	4,807.18	3,906.35
b.	Corporate / Wholesale Banking	7,473.79	7,072.95
c.	Retail Banking	5,732.75	3,411.69
d.	Other Banking business	-	-
	<b>Sub-total</b>	<b>18,013.72</b>	<b>14,390.99</b>
	<b>Total Profit Before Tax</b>	<b>18,013.72</b>	<b>14,390.99</b>
	<b>Provision for Tax</b>	<b>4,232.14</b>	<b>3,451.69</b>
	<b>Total Profit After Tax</b>	<b>13,781.58</b>	<b>10,939.30</b>
<b>3.</b>	<b>Segment Assets</b>		
a.	Treasury, BMU and Corporate Centre	179,075.58	133,506.32
b.	Corporate / Wholesale Banking	239,539.02	223,845.52
c.	Retail Banking	384,257.91	310,374.20
d.	Other Banking business	-	-
	<b>Sub-total</b>	<b>802,872.51</b>	<b>667,726.04</b>
	Less : Inter-segmental Assets	203,032.03	178,234.99
	<b>Total</b>	<b>599,840.48</b>	<b>489,491.05</b>
	Add : Unallocated Assets	516.57	371.43
	<b>Total Assets as per Balance Sheet</b>	<b>600,357.05</b>	<b>489,862.48</b>
<b>4.</b>	<b>Segment Liabilities</b>		
a.	Treasury, BMU and Corporate Centre	134,765.70	93,987.32
b.	Corporate / Wholesale Banking	218,547.17	202,922.48
c.	Retail Banking	353,357.46	287,429.54
d.	Other Banking business	-	-
	<b>Sub-total</b>	<b>706,670.33</b>	<b>584,339.34</b>
	Less : Inter-segmental Liabilities	203,032.03	178,234.99
	<b>Total</b>	<b>503,638.30</b>	<b>406,104.35</b>
	Add : Unallocated liabilities	79.29	298.18
	Add : Share Capital & Reserves & surplus	96,639.46	83,459.95
	<b>Total Capital &amp; Liabilities as per Balance Sheet</b>	<b>600,357.05</b>	<b>489,862.48</b>
<b>5.</b>	<b>Capital Expenditure</b>		
a.	Treasury, BMU and Corporate Centre	186.35	122.68
b.	Corporate / Wholesale Banking	57.75	65.17
c.	Retail Banking	630.10	562.99
d.	Other Banking business	-	-
	<b>Total</b>	<b>874.20</b>	<b>750.84</b>
<b>6.</b>	<b>Depreciation / Amortisation</b>		
a.	Treasury, BMU and Corporate Centre	118.25	90.11
b.	Corporate / Wholesale Banking	47.55	33.81
c.	Retail Banking	448.99	337.81
d.	Other Banking business	-	-
	<b>Total</b>	<b>614.79</b>	<b>461.73</b>

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.



RBI's Master Direction on Financial Statements - Presentation and Disclosures, requires to divide the 'Retail banking' into (a) Digital Banking (as defined in RBI circular on Establishment of Digital Banking Units dated April 7, 2022) and (b) Other Retail Banking segment. The Bank has two DBUs which commenced operations during the quarter ended 31<sup>st</sup> December, 2022. Accordingly, the segmental results for retail banking are subdivided as under:

For March 31, 2024:

(₹ in crore)

Particulars	Segment Revenue for year ended 31 <sup>st</sup> Mar, 2024	Segment Results for year ended 31 <sup>st</sup> Mar, 2024	Segment Assets as at 31 <sup>st</sup> Mar, 2024	Segment Liability as at 31 <sup>st</sup> Mar, 2024
Retail Banking	27,831.08	5,732.75	384,257.91	353,357.46
(i) Digital Banking	1,536.19	118.36	60.60	15,585.65
(ii) Other Retail Banking	26,294.89	5,614.39	384,197.31	337,771.81

### 3. LEASE DISCLOSURES

- The Bank has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹ 661.70 crore (previous year ₹ 672.27 crore). The sub-lease income recognised in the Profit and Loss Account is ₹ 12.90 crore (previous year ₹ 11.21 crore).
- The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹ 680.40 crore (previous year ₹ 573.38 crore), later than one year but not later than five years is ₹ 2,009.28 crore (previous year ₹ 1,575.85 crore) and later than five years ₹ 911.40 crore (previous year ₹ 770.25 crore).

The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements. There are escalation clauses in the lease agreements.

### 4. DEFERRED TAXES

"Others" in Other Assets (Schedule 11 (VI)) includes deferred tax asset (net) of ₹ 322.70 crore (previous year ₹ 371.43 crore). The components of the same are as follows:

(₹ in crore)

Particulars of Asset/ (Liability)	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Provision for NPA and General provisions	434.71	437.87
Expenditure allowed on payment basis	99.37	122.15
Depreciation	32.64	23.97
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(244.02)	(212.56)
<b>Net Deferred Tax Asset</b>	<b>322.70</b>	<b>371.43</b>

### 5. PROVISIONS

Given below is the movement in provisions recognised by the Bank:

#### a) Credit card & debit card reward points:

The following table sets forth, for the periods indicated, movement in actuarially determined provision for credit card and debit card account reward points:

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening provision for reward points	68.26	28.51
Provision for reward points made during the year	267.06	171.87
Utilisation/write-back of provision for reward points	(211.20)	(132.12)
<b>Closing provision for reward points*</b>	<b>124.12</b>	<b>68.26</b>

\* This amount will be utilised towards redemption of the credit card & debit card accounts reward points.

**b) Legal:**

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening Provision	41.44	43.78
Add: Addition during the year	0.51	0.70
Less: Reduction during the year	(6.87)	(3.04)
<b>Closing Provision</b>	<b>35.08</b>	<b>41.44</b>

**c) Fraud and Other Provisions:**

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Opening Provision	39.02	42.19
Add: Addition during the year	26.80	4.78
Less: Reduction during the year	(19.83)	(7.95)
<b>Closing Provision</b>	<b>45.99</b>	<b>39.02</b>

**6. FIXED ASSETS AS PER SCHEDULE 10 B INCLUDE INTANGIBLE ASSETS RELATING TO PURCHASED SOFTWARE AND SYSTEM DEVELOPMENT EXPENDITURE WHICH ARE AS FOLLOWS**

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Gross Block</b>		
At cost on 31 <sup>st</sup> March of the preceding year	887.69	713.43
Add: Additions during the year	141.46	212.24
Less: Deductions during the year	8.42	37.98
<b>Total</b>	<b>1,020.73</b>	<b>887.69</b>
<b>Depreciation / Amortization</b>		
As at 31 <sup>st</sup> March of the preceding year	625.90	549.80
Add: Charge for the year	159.06	109.77
Less: Deductions during the year	4.90	33.67
<b>Depreciation to date</b>	<b>780.06</b>	<b>625.90</b>
<b>Net Block</b>	<b>240.67</b>	<b>261.79</b>

Capital commitments for purchase of software and system development expenditure are ₹ 80.13 crore (previous year ₹ 91.10 crore).

**7. RELATED PARTY DISCLOSURES**

As per Accounting Standard -18, Related Party Disclosure, the Bank's related parties are disclosed below:

**A. Parties where control exists:**

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited
	Kotak Securities Limited
	Kotak Mahindra Capital Company Limited
	Kotak Mahindra Life Insurance Company Limited
	Kotak Mahindra Investments Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra Trustee Company Limited
	Kotak Mahindra (International) Limited
	Kotak Mahindra (UK) Limited
	Kotak Mahindra Inc.





Nature of relationship	Related Party
	Kotak Alternate Assets Managers Limited (Formerly Known as Kotak Investment Advisors Limited)
	Kotak Mahindra Trusteeship Services Limited
	Kotak Infrastructure Debt Fund Limited
	Kotak Mahindra Pension Fund Limited
	Kotak Mahindra Financial Services Limited
	Kotak Mahindra Asset Management (Singapore) Pte. Limited
	Kotak Mahindra General Insurance Company Limited
	IVY Product Intermediaries Limited
	BSS Microfinance Limited
	Kotak Karma Foundation (w.e.f. 26 <sup>th</sup> Jun 2023)
	Sonata Finance Private Limited (w.e.f. 28 <sup>th</sup> Mar 2024)

**B. Other Related Parties:**

Nature of relationship	Related Party
Individual having significant influence over the enterprise	Mr. Uday S. Kotak, Promoter along with the persons / entities forming part of the Promoter Group, holds 25.90% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 <sup>st</sup> March, 2024.
Associates / Others	Infina Finance Private Limited Phoenix ARC Private Limited ING Vysya Foundation
Key Management Personnel (KMP)	Mr. Uday S. Kotak - Managing Director & CEO upto 1 <sup>st</sup> September 2023 Non Executive Director w.e.f. 2 <sup>nd</sup> September 2023 Mr. Dipak Gupta - Joint Managing Director (upto 31 <sup>st</sup> December 2023) Mr. Ashok Vaswani – Managing Director and CEO (w.e.f. 1 <sup>st</sup> January 2024) Mr. KVS Manian – Joint Managing Director Mr. Gaurang Shah - Whole-time Director (upto 31 <sup>st</sup> October 2022) Ms. Shanti Ekambaram – Deputy Managing Director (w.e.f. 1 <sup>st</sup> November 2022)
Enterprises over which KMP / relatives of KMP have control / significant influence	Aero Agencies Private Limited (formerly known as Aero Agencies Limited) Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodity Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF KF Trust (formerly known as USK Benefit Trust II) Kotak Family Foundation Helena Realty Private Limited Doreen Realty Private Limited

Nature of relationship	Related Party
	Renato Realty Private Limited
	Pine Tree Estates Private Limited
	Meluha Developers Private Limited
	Quantyco Realty Private Limited
	Xanadu Properties Private Limited
	Laburnum Adarsh Trust
	True North Enterprises (upto 31 <sup>st</sup> October 2022)
	Manian Family Trust
	Brij Disa Arnav Trust (upto 31 <sup>st</sup> December 2023)
	Brij Disa Parthav Trust (upto 31 <sup>st</sup> December 2023)
	Kotak Mahindra Group Employee Welfare Trust
	TML Benefit Trust
	Brij Disa Foundation (upto 31 <sup>st</sup> December 2023)
	Amrit Lila Enterprises Private Limited
	Manians Family Trust II
	USK Benefit Trust III
	Kudin Trusteeship Services Private Limited (w.e.f. 9 <sup>th</sup> September 2022)
	Shanti Family Trust (w.e.f. 1 <sup>st</sup> November 2022)
	Shivkaran Trust (w.e.f. 1 <sup>st</sup> November 2022)
	USK Capital Partners (w.e.f. 2 <sup>nd</sup> January 2024)
Relatives of KMP	Ms. Pallavi Kotak
	Mr. Suresh Kotak
	Ms. Indira Kotak
	Mr. Jay Kotak
	Mr. Dhawal Kotak
	Ms. Aarti Chandaria
	Ms. Aditi Arya (w.e.f. 7 <sup>th</sup> November 2023)
	Ms. Anita Gupta (upto 31 <sup>st</sup> December 2023)
	Ms. Urmila Gupta (upto 31 <sup>st</sup> December 2023)
	Mr. Arnav Gupta (upto 31 <sup>st</sup> December 2023)
	Mr. Parthav Gupta (upto 31 <sup>st</sup> December 2023)
	Mr. Prabhat Gupta (upto 31 <sup>st</sup> December 2023)
	Ms. Jyoti Banga (upto 31 <sup>st</sup> December 2023)
	Ms. Seetha Krishnan
	Ms. Lalitha Mohan
	Ms. Shruti Manian
	Mr. Shashank Manian
	Mr. Ramesh Krishnan
	Ms. Vanathi Gopalakrishnan (w.e.f. 15 <sup>th</sup> April 2022)
	Ms. Asha Shah (upto 31 <sup>st</sup> October 2022)
	Ms. Divya Shah (upto 31 <sup>st</sup> October 2022)
	Ms. Manasi Shah (upto 31 <sup>st</sup> October 2022)
	Ms. Mahima Shah (upto 31 <sup>st</sup> October 2022)
	Mr. Chetan Shah (upto 31 <sup>st</sup> October 2022)
	Ms. Chetna Shah (upto 31 <sup>st</sup> October 2022)
	Ms. G. Saraswathi (w.e.f. 1 <sup>st</sup> November 2022)
	Ms. Shobha Srivastava (w.e.f. 1 <sup>st</sup> November 2022)
	Veena Vaswani (w.e.f. 1 <sup>st</sup> January 2024)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
<b>Liabilities</b>						
Deposits	3,685.84	48.73	61.02	107.84	174.02	4,077.45
	(1,823.43)	(67.64)	(261.73)	(104.26)	(184.32)	(2,441.38)
Borrowings	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Payable	15.00	0.23	-	1.13	0.61	16.97
	(3.04)	(0.10)	(1.94)	(1.00)	(0.50)	(6.58)
Other Payables	87.31	-	-	0.01	-	87.32
	(72.32)	(-)	(-)	(0.01)	(-)	(72.33)
<b>Assets</b>						
Advances	400.00	25.31	0.01	1.31	0.04	426.67
	(779.83)	(40.31)	(-)	(0.92)	(4.45)	(825.51)
Investments-Gross	4,234.92	-	-	#	-	4,234.92
	(4,342.50)	(-)	(-)	(#)	(-)	(4,342.50)
Diminution on Investments	-	-	-	#	-	#
	(-)	(-)	(-)	(#)	(-)	(#)
Commission Receivable	189.89	-	-	-	-	189.89
	(102.63)	(-)	(-)	(-)	(-)	(102.63)
Others Receivable	132.65	0.23	-	0.02	-	132.90
	(133.56)	(0.39)	(-)	(-)	(0.03)	(133.98)
<b>Non Funded Commitments</b>						
Bank Guarantees	1.07	-	-	1.13	-	2.20
	(0.57)	(-)	(-)	(1.13)	(-)	(1.70)
Swaps/Forward contracts	200.00	-	-	-	-	200.00
	(334.83)	(-)	(-)	(-)	(1.65)	(336.48)
<b>Expenses</b>						
Salaries/fees (Include ESOP/SARs)	-	-	24.05	-	0.57	24.62
	(-)	(-)	(23.66)	(-)	(0.45)	(24.11)
Interest Expense	98.22	7.32	14.50	4.78	12.71	137.53
	(32.50)	(4.40)	(44.30)	(3.09)	(8.77)	(93.06)
Expenses for services received	919.73	-	-	2.69	-	922.42
	(551.44)	(-)	(-)	(0.76)	(-)	(552.20)
<b>Income</b>						
Dividend	308.90	-	-	-	-	308.90
	(242.27)	(-)	(-)	(-)	(-)	(242.27)
Interest Income	66.52	3.23	-	0.06	0.30	70.11
	(104.85)	(4.05)	(0.17)	(0.14)	(0.35)	(109.56)
Income from services rendered	1,208.03	0.06	#	0.04	#	1,208.13
	(724.77)	(0.11)	(0.01)	(0.04)	(0.01)	(724.94)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
<b>Other Transactions</b>						
Sale of Investments	1,260.31	-	-	-	-	1,260.31
	(377.25)	(-)	(-)	(-)	(-)	(377.25)
Purchase of Investments	1,731.57	-	-	-	-	1,731.57
	(1,161.82)	(-)	(-)	(-)	(-)	(1,161.82)
Loan Disbursed During the Year	1,556.58	-	-	-	-	1,556.58
	(1,294.02)	(-)	(-)	(-)	(-)	(1,294.02)
Loan Repaid During the Year	1,926.58	15.00	-	-	-	1,941.58
	(1,074.02)	(15.00)	(-)	(-)	(-)	(1,089.02)
Assignment Portfolio Buyout During the year	1,736.16	-	-	-	-	1,736.16
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	76.95	0.23	0.53	77.71
	(-)	(-)	(56.37)	(0.14)	(0.39)	(56.90)
Reimbursement to companies	28.07	-	-	-	-	28.07
	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Reimbursement from companies	141.35	0.27	-	-	-	141.62
	(131.42)	(0.43)	(-)	(-)	(-)	(131.85)
Purchase of Fixed assets	0.55	-	-	-	-	0.55
	(0.47)	(-)	(-)	(-)	(-)	(0.47)
Sale of Fixed assets	0.17	-	-	-	-	0.17
	(4.48)	(-)	(-)	(-)	(-)	(4.48)
Swaps/Forward contracts	724.80	2.84	4.50	4.32	24.61	761.07
	(902.00)	(-)	(5.90)	(4.21)	(26.02)	(938.13)
Guarantees/Lines of credit	10.55	-	-	-	-	10.55
	(0.80)	(-)	(-)	(-)	(-)	(0.80)
<b>I. Liabilities:</b>						
<b>Other liabilities</b>						
<b>Other Payable</b>						
Kotak Mahindra Prime Limited	0.16	-	-	-	-	0.16
	(2.79)	(-)	(-)	(-)	(-)	(2.79)
BSS Microfinance Pvt Ltd	77.86	-	-	-	-	77.86
	(61.31)	(-)	(-)	(-)	(-)	(61.31)
Kotak Securities Limited	1.95	-	-	-	-	1.95
	(3.92)	(-)	(-)	(-)	(-)	(3.92)
Kotak Mahindra Capital Company Limited	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra (UK) Limited	0.89	-	-	-	-	0.89
	(3.62)	(-)	(-)	(-)	(-)	(3.62)
Sonata Finance Private Limited	3.55	-	-	-	-	3.55
	(-)	(-)	(-)	(-)	(-)	(-)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra General Insurance Limited	1.42	-	-	-	-	1.42
	(0.37)	(-)	(-)	(-)	(-)	(0.37)
Others	1.48	-	-	0.01	-	1.49
	(0.31)	(-)	(-)	(0.01)	(-)	(0.32)
<b>II. Assets:</b>						
<b>Investments</b>						
Kotak Mahindra Life Insurance Company Limited	1,557.20	-	-	-	-	1,557.20
	(1,557.20)	(-)	(-)	(-)	(-)	(1,557.20)
Kotak Mahindra Prime Limited	146.37	-	-	-	-	146.37
	(654.46)	(-)	(-)	(-)	(-)	(654.46)
BSS Microfinance Private Limited	138.56	-	-	-	-	138.56
	(138.56)	(-)	(-)	(-)	(-)	(138.56)
Kotak Mahindra Investments Limited	488.03	-	-	-	-	488.03
	(587.33)	(-)	(-)	(-)	(-)	(587.33)
Kotak Mahindra General Insurance Limited	875.00	-	-	-	-	875.00
	(680.00)	(-)	(-)	(-)	(-)	(680.00)
Kotak Infrastructure Debt Fund Limited	91.49	-	-	-	-	91.49
	(324.79)	(-)	(-)	(-)	(-)	(324.79)
Sonata Finance Private Limited	537.12	-	-	-	-	537.12
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Alternate Assets Managers Limited	228.24	-	-	-	-	228.24
	(228.24)	(-)	(-)	(-)	(-)	(228.24)
Others	172.90	-	-	#	-	172.90
	(171.90)	(-)	(-)	(#)	(-)	(171.90)
<b>Diminution on investments</b>						
Business Standard Private Limited	-	-	-	#	-	#
	(-)	(-)	(-)	(#)	(-)	(#)
<b>Commission Receivable</b>						
Kotak Mahindra Life Insurance Company Limited	176.85	-	-	-	-	176.85
	(98.03)	(-)	(-)	(-)	(-)	(98.03)
Kotak Mahindra General Insurance Limited	13.04	-	-	-	-	13.04
	(4.60)	(-)	(-)	(-)	(-)	(4.60)
<b>Others Receivable</b>						
Kotak Mahindra Prime Limited	16.32	-	-	-	-	16.32
	(30.59)	(-)	(-)	(-)	(-)	(30.59)
Kotak Securities Limited	13.74	-	-	-	-	13.74
	(14.51)	(-)	(-)	(-)	(-)	(14.51)
Kotak Alternate Assets Managers Limited	34.86	-	-	-	-	34.86
	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Kotak Mahindra Investments Limited	6.71	-	-	-	-	6.71
	(7.69)	(-)	(-)	(-)	(-)	(7.69)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Life Insurance Company Limited	23.87 (20.56)	- (-)	- (-)	- (-)	- (-)	23.87 (20.56)
Kotak Infrastructure Debt Fund Limited	0.41 (9.54)	- (-)	- (-)	- (-)	- (-)	0.41 (9.54)
BSS Microfinance Limited	9.63 (19.38)	- (-)	- (-)	- (-)	- (-)	9.63 (19.38)
Sonata Finance Private Limited	2.62 (-)	- (-)	- (-)	- (-)	- (-)	2.62 (-)
Kotak Mahindra Asset Management Company Limited	5.83 (3.63)	- (-)	- (-)	- (-)	- (-)	5.83 (3.63)
Kotak Mahindra General Insurance Limited	9.50 (2.26)	- (-)	- (-)	- (-)	- (-)	9.50 (2.26)
Phoenix ARC Private Limited	- (-)	0.23 (0.33)	- (-)	- (-)	- (-)	0.23 (0.33)
Kotak Mahindra Capital Company Limited	6.59 (1.34)	- (-)	- (-)	- (-)	- (-)	6.59 (1.34)
Others	2.58 (0.10)	# (0.06)	- (-)	0.02 (-)	- (0.03)	2.60 (0.19)
<b>Non Funded Commitments</b>						
<b>Bank Guarantees</b>						
Kotak Mahindra Life Insurance Company Limited	0.30 (0.25)	- (-)	- (-)	- (-)	- (-)	0.30 (0.25)
Kotak Securities Limited	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	0.02 (0.02)
Aero Agencies Private Limited	- (-)	- (-)	- (-)	1.00 (1.00)	- (-)	1.00 (1.00)
Kotak Mahindra Prime Limited	0.25 (0.25)	- (-)	- (-)	- (-)	- (-)	0.25 (0.25)
Kotak Alternate Asset Managers Limited	0.50 (0.05)	- (-)	- (-)	0.13 (0.13)	- (-)	0.63 (0.18)
<b>Swaps/Forward contracts</b>						
Kotak Mahindra Prime Limited	100.00 (234.83)	- (-)	- (-)	- (-)	- (-)	100.00 (234.83)
Kotak Mahindra Investments Limited	100.00 (100.00)	- (-)	- (-)	- (-)	- (-)	100.00 (100.00)
Others	- (-)	- (-)	- (-)	- (-)	- (1.65)	- (1.65)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
<b>III. Expenses:</b>						
<b>Salaries/fees (Include ESOP/SARs)</b>						
Mr.Uday Kotak	-	-	0.40	-	-	0.40
	(-)	(-)	(#)	(-)	(-)	(#)
Mr. Gaurang Shah	-	-	-	-	-	-
	(-)	(-)	(5.27)	(-)	(-)	(5.27)
Mr. KVS Manian	-	-	6.72	-	-	6.72
	(-)	(-)	(7.82)	(-)	(-)	(7.82)
Mr.Dipak Gupta	-	-	8.37	-	-	8.37
	(-)	(-)	(8.22)	(-)	(-)	(8.22)
Ms. Shanti Ekambaram	-	-	6.73	-	-	6.73
	(-)	(-)	(2.35)	(-)	(-)	(2.35)
Mr.Ashok Vaswani	-	-	1.83	-	-	1.83
	(-)	(-)	(-)	(-)	(-)	(-)
Mr.Jay Kotak	-	-	-	-	0.57	0.57
	(-)	(-)	(-)	(-)	(0.45)	(0.45)
<b>Expenses for services received</b>						
Kotak Securities Limited	0.82	-	-	-	-	0.82
	(0.78)	(-)	(-)	(-)	(-)	(0.78)
Kotak Mahindra Life Insurance Company Limited	15.72	-	-	-	-	15.72
	(21.39)	(-)	(-)	(-)	(-)	(21.39)
Kotak Mahindra General Insurance Limited	3.18	-	-	-	-	3.18
	(3.49)	(-)	(-)	(-)	(-)	(3.49)
Kotak Mahindra Prime Limited	1.35	-	-	-	-	1.35
	(2.74)	(-)	(-)	(-)	(-)	(2.74)
Aero Agencies Private Limited	-	-	-	2.64	-	2.64
	(-)	(-)	(-)	(0.68)	(-)	(0.68)
Business Standard Private Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
BSS Microfinance Limited	895.03	-	-	-	-	895.03
	(523.01)	(-)	(-)	(-)	(-)	(523.01)
Sonata Finance Private Limited	2.42	-	-	-	-	2.42
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra (UK) Limited	0.09	-	-	-	-	0.09
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Others	1.11	-	-	-	-	1.11
	(#)	(-)	(-)	(-)	(-)	(#)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
<b>IV. Income:</b>						
<b>Dividend</b>						
Kotak Mahindra Capital Company Limited	34.36	-	-	-	-	34.36
	(34.36)	(-)	(-)	(-)	(-)	(34.36)
Kotak Mahindra Life Insurance Company Limited	117.88	-	-	-	-	117.88
	(88.41)	(-)	(-)	(-)	(-)	(88.41)
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Kotak Mahindra Asset Management Company Limited	111.75	-	-	-	-	111.75
	(74.50)	(-)	(-)	(-)	(-)	(74.50)
Kotak Mahindra Prime Limited	8.91	-	-	-	-	8.91
	(8.91)	(-)	(-)	(-)	(-)	(8.91)
Kotak Securities Limited	36.00	-	-	-	-	36.00
	(36.00)	(-)	(-)	(-)	(-)	(36.00)
<b>Income from services rendered</b>						
Kotak Mahindra Life Insurance Company Limited	728.63	-	-	-	-	728.63
	(407.35)	(-)	(-)	(-)	(-)	(407.35)
Kotak Mahindra General Insurance Company Limited	82.13	-	-	-	-	82.13
	(35.79)	(-)	(-)	(-)	(-)	(35.79)
Kotak Securities Limited	217.85	-	-	-	-	217.85
	(166.32)	(-)	(-)	(-)	(-)	(166.32)
Kotak Mahindra Capital Company Limited	15.05	-	-	-	-	15.05
	(8.93)	(-)	(-)	(-)	(-)	(8.93)
Kotak Mahindra Asset Management Company Limited	19.68	-	-	-	-	19.68
	(16.51)	(-)	(-)	(-)	(-)	(16.51)
Kotak Mahindra Prime Limited	37.46	-	-	-	-	37.46
	(37.09)	(-)	(-)	(-)	(-)	(37.09)
Kotak Alternate Assets Managers Limited	65.28	-	-	-	-	65.28
	(41.83)	(-)	(-)	(-)	(-)	(41.83)
BSS Microfinance Limited	26.73	-	-	-	-	26.73
	(#)	(-)	(-)	(-)	(-)	(#)
Others	15.22	0.06	#	0.04	#	15.32
	(10.95)	(0.11)	(0.01)	(0.04)	(0.01)	(11.12)
<b>V. Other Transactions:</b>						
<b>Sale of Investment</b>						
Kotak Infrastructure Debt Fund Limited	150.00	-	-	-	-	150.00
	(250.70)	(-)	(-)	(-)	(-)	(250.70)
Kotak Mahindra Prime Limited	205.00	-	-	-	-	205.00
	(35.00)	(-)	(-)	(-)	(-)	(35.00)
Kotak Mahindra Investments Limited	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)





(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra (UK) Limited	675.44	-	-	-	-	675.44
	(66.68)	(-)	(-)	(-)	(-)	(66.68)
Kotak Securities Limited	54.31	-	-	-	-	54.31
	(24.88)	(-)	(-)	(-)	(-)	(24.88)
Kotak Mahindra Life Insurance Company Limited	75.56	-	-	-	-	75.56
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Purchase of Investments</b>						
Kotak Mahindra (UK) Limited	895.25	-	-	-	-	895.25
	(257.21)	(-)	(-)	(-)	(-)	(257.21)
Kotak Infrastructure Debt Fund Limited	60.00	-	-	-	-	60.00
	(360.00)	(-)	(-)	(-)	(-)	(360.00)
Kotak Mahindra Prime Limited	555.32	-	-	-	-	555.32
	(319.61)	(-)	(-)	(-)	(-)	(319.61)
Kotak Mahindra Investments Limited	25.00	-	-	-	-	25.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Limited	195.00	-	-	-	-	195.00
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Karma Foundation	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Loan Disbursed During the Year</b>						
Kotak Mahindra Prime Limited	450.02	-	-	-	-	450.02
	(800.02)	(-)	(-)	(-)	(-)	(800.02)
Kotak Securities Limited	956.56	-	-	-	-	956.56
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Investments Limited	150.00	-	-	-	-	150.00
	(494.00)	(-)	(-)	(-)	(-)	(494.00)
<b>Loan Repaid During the Year</b>						
Kotak Mahindra Investments Limited	245.00	-	-	-	-	245.00
	(249.00)	(-)	(-)	(-)	(-)	(249.00)
Kotak Securities Limited	956.56	-	-	-	-	956.56
	(-)	(-)	(-)	(-)	(-)	(-)
Phoenix ARC Private Limited	-	15.00	-	-	-	15.00
	(-)	(15.00)	(-)	(-)	(-)	(15.00)
Kotak Mahindra Prime Limited	725.02	-	-	-	-	725.02
	(825.02)	(-)	(-)	(-)	(-)	(825.02)
<b>Assignment Portfolio Buyout During the year</b>						
Sonata Finance Private Limited	1,736.16	-	-	-	-	1,736.16
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Dividend Paid</b>						
Mr.Uday Kotak	-	-	76.65	-	-	76.65
	(-)	(-)	(56.20)	(-)	(-)	(56.20)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Mr.Dipak Gupta	-	-	0.07	-	-	0.07
	(-)	(-)	(0.07)	(-)	(-)	(0.07)
Ms. Shanti Ekambaram	-	-	0.20	-	-	0.20
	(-)	(-)	(-)	(-)	(-)	(-)
Gaurang Shah	-	-	-	-	-	-
	(-)	(-)	(0.10)	(-)	(-)	(0.10)
KVS Manian	-	-	0.02	-	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Pallavi Kotak	-	-	-	-	0.17	0.17
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Indira Kotak	-	-	-	-	0.30	0.30
	(-)	(-)	(-)	(-)	(0.22)	(0.22)
Others	-	-	-	0.23	0.06	0.29
	(-)	(-)	(-)	(0.14)	(0.05)	(0.19)
<b>Reimbursements to companies</b>						
Kotak Mahindra Capital Company Limited	0.96	-	-	-	-	0.96
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Prime Limited	6.84	-	-	-	-	6.84
	(6.39)	(-)	(-)	(-)	(-)	(6.39)
Kotak Securities Limited	12.30	-	-	-	-	12.30
	(11.45)	(-)	(-)	(-)	(-)	(11.45)
Kotak Mahindra Life Insurance Company Limited	0.23	-	-	-	-	0.23
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
Kotak Alternate Assets Managers Limited	1.36	-	-	-	-	1.36
	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Mahindra Investments Limited	1.88	-	-	-	-	1.88
	(1.49)	(-)	(-)	(-)	(-)	(1.49)
Kotak Mahindra (UK) Limited	4.40	-	-	-	-	4.40
	(3.62)	(-)	(-)	(-)	(-)	(3.62)
Others	0.10	-	-	-	-	0.10
	(0.15)	(-)	(-)	(-)	(-)	(0.15)
<b>Reimbursements from companies</b>						
Kotak Mahindra Capital Company Ltd	10.53	-	-	-	-	10.53
	(10.34)	(-)	(-)	(-)	(-)	(10.34)
Kotak Mahindra Prime Limited	39.32	-	-	-	-	39.32
	(28.80)	(-)	(-)	(-)	(-)	(28.80)
Kotak Mahindra Life Insurance Company Limited	15.57	-	-	-	-	15.57
	(16.42)	(-)	(-)	(-)	(-)	(16.42)
Kotak Securities Limited	31.76	-	-	-	-	31.76
	(31.11)	(-)	(-)	(-)	(-)	(31.11)
Kotak Mahindra Investments Limited	7.76	-	-	-	-	7.76
	(8.12)	(-)	(-)	(-)	(-)	(8.12)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Asset Management Company Limited	9.90 (11.76)	- (-)	- (-)	- (-)	- (-)	9.90 (11.76)
Kotak Alternate Assets Managers Limited	10.27 (9.64)	- (-)	- (-)	- (-)	- (-)	10.27 (9.64)
Kotak Mahindra Asset Management (Singapore) Pte Limited	4.06 (4.07)	- (-)	- (-)	- (-)	- (-)	4.06 (4.07)
Kotak Mahindra General Insurance Limited	5.04 (4.19)	- (-)	- (-)	- (-)	- (-)	5.04 (4.19)
Others	7.12 (6.96)	0.27 (0.43)	- (-)	- (-)	- (-)	7.39 (7.39)
<b>Purchase of Fixed Assets</b>						
Kotak Mahindra Prime Limited	0.07 (-)	- (-)	- (-)	- (-)	- (-)	0.07 (-)
Kotak Mahindra General Insurance Company Limited	- (0.14)	- (-)	- (-)	- (-)	- (-)	- (0.14)
Kotak Mahindra Investments Limited	- (0.09)	- (-)	- (-)	- (-)	- (-)	- (0.09)
Kotak Mahindra Life Insurance Company Limited	0.17 (0.09)	- (-)	- (-)	- (-)	- (-)	0.17 (0.09)
Kotak Securities Limited	- (0.10)	- (-)	- (-)	- (-)	- (-)	- (0.10)
Kotak Alternate Assets Managers Limited	0.30 (-)	- (-)	- (-)	- (-)	- (-)	0.30 (-)
Kotak Mahindra Capital Company Limited	- (0.04)	- (-)	- (-)	- (-)	- (-)	- (0.04)
Kotak Mahindra Trusteeship Services Limited	0.01 (0.01)	- (-)	- (-)	- (-)	- (-)	0.01 (0.01)
Kotak Mahindra Asset Management Company Limited	0.01 (#)	- (-)	- (-)	- (-)	- (-)	0.01 (#)
<b>Sale of Fixed Assets</b>						
Kotak Mahindra General Insurance Company Limited	# (-)	- (-)	- (-)	- (-)	- (-)	# (-)
Kotak Alternate Assets Managers Limited	0.01 (4.30)	- (-)	- (-)	- (-)	- (-)	0.01 (4.30)
Kotak Mahindra Trusteeship Services Limited	0.01 (-)	- (-)	- (-)	- (-)	- (-)	0.01 (-)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Investments Limited	0.15 (0.03)	- (-)	- (-)	- (-)	- (-)	0.15 (0.03)
Kotak Mahindra Life Insurance Company Limited	- (0.14)	- (-)	- (-)	- (-)	- (-)	- (0.14)
Kotak Mahindra Prime Limited	0.01 (0.02)	- (-)	- (-)	- (-)	- (-)	0.01 (0.02)
Kotak Securities Limited	# (-)	- (-)	- (-)	- (-)	- (-)	# (-)
<b>Swaps/Forwards/Options Contracts</b>						
Kotak Mahindra International Ltd	# (#)	- (-)	- (-)	- (-)	- (-)	# (#)
Kotak Mahindra Prime Limited	136.21 (533.63)	- (-)	- (-)	- (-)	- (-)	136.21 (533.63)
Kotak Mahindra Investments Limited	0.03 (100.00)	- (-)	- (-)	- (-)	- (-)	0.03 (100.00)
Kotak Mahindra Life Insurance Company Limited	117.45 (26.82)	- (-)	- (-)	- (-)	- (-)	117.45 (26.82)
Kotak Alternate Assets Managers Limited	18.43 (9.50)	- (-)	- (-)	- (-)	- (-)	18.43 (9.50)
Kotak Mahindra Asset Management Company Limited	8.54 (10.30)	- (-)	- (-)	- (-)	- (-)	8.54 (10.30)
Kotak Mahindra Capital Company Limited	76.61 (15.09)	- (-)	- (-)	- (-)	- (-)	76.61 (15.09)
Kotak Securities Limited	367.13 (206.57)	- (-)	- (-)	- (-)	- (-)	367.13 (206.57)
BSS Microfinance Limited	0.14 (0.09)	- (-)	- (-)	- (-)	- (-)	0.14 (0.09)
Others	0.25 (-)	2.84 (-)	4.50 (5.90)	4.32 (4.21)	24.61 (26.02)	36.52 (36.13)
<b>Guarantees/Lines of Credits</b>						
Kotak Alternate Assets Managers Limited	10.50 (0.55)	- (-)	- (-)	- (-)	- (-)	10.50 (0.55)
Kotak Mahindra Life Insurance Company Limited	0.05 (-)	- (-)	- (-)	- (-)	- (-)	0.05 (-)
Kotak Mahindra Prime Limited	- (0.25)	- (-)	- (-)	- (-)	- (-)	- (0.25)

Note:

- Figures in brackets represent previous year's figures.
- The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.
- # in the above table denotes amounts less than ₹ 50,000
- Remuneration paid to KMPs is pursuant to approval from RBI (excluding value of employee stock options exercised during the year).


**Maximum Balance outstanding during the year**

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel
<b>Liabilities</b>					
Deposits <sup>1</sup>	8,514.67	347.49	311.72	269.00	207.31
	(6,199.33)	(768.74)	(2,553.73)	(180.63)	(248.59)
Borrowings <sup>1</sup>	-	-	-	-	-
	-	-	-	-	-
Other Liabilities <sup>2</sup>	116.92	2.20	2.28	1.32	1.25
	(77.72)	(0.27)	(2.21)	(1.16)	(0.77)
<b>Assets</b>					
Advances <sup>1</sup>	1,351.92	42.82	0.04	1.44	5.58
	(948.94)	(55.31)	(4.62)	(3.79)	(8.24)
Investments-Gross <sup>1</sup>	5,401.88	-	-	#	-
	(5,164.90)	-	(#)	(#)	(#)
Commission Receivable <sup>2</sup>	189.89	-	-	-	-
	(102.63)	-	-	-	-
Other Assets <sup>2</sup>	219.62	0.50	-	0.01	-
	(215.70)	(0.65)	(0.04)	(0.03)	(0.09)
<b>Non Funded Commitments</b>					
Bank Guarantees <sup>1</sup>	11.07	-	-	1.13	-
	(1.02)	-	-	(1.13)	-
Swaps/Forwards <sup>1</sup>	696.99	2.84	3.64	1.06	18.21
	(1,030.05)	-	(4.79)	(6.61)	(17.57)

Note:

1. Maximum balance is determined based on comparison of the total daily outstanding balances during the financial year.
2. Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year.
3. Figures in brackets represent previous year's figures.
4. # in the above table denotes amounts less than ₹ 50,000/-.

## 8. EMPLOYEE SHARE BASED PAYMENTS

The Shareholders of the Bank had passed a Special Resolution in the General meeting dated 29<sup>th</sup> June, 2015 and 22<sup>nd</sup> December, 2023, to grant options to the eligible employees of the Bank and its subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Equity Option Scheme 2015 & Kotak Mahindra Equity Option Scheme 2023 have been formulated and adopted respectively. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22<sup>nd</sup> December, 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

### Equity-settled options

The Bank has granted options to employees of the Group vide various employee stock option schemes. During the year ended 31<sup>st</sup> March, 2024, the following schemes were in operation:

Particulars	Plan 2015	Plan 2023
Date of grant	Various Dates	Various Dates
Date of Board Approval	Various Dates	Various Dates
Date of Shareholder's approval	29 <sup>th</sup> June, 2015	22 <sup>nd</sup> December, 2023
Number of options granted	21,080,963	108,417
Method of Settlement (Cash / Equity)	Equity	Equity
Vesting Period	0.01 – 4.16 years	1.03 – 3.40 years
Exercise Period	0.03 – 1 year	0.50 year
Vesting Conditions	Graded / Cliff vesting	Graded / Cliff vesting

The details of activity under Plan 2015 have been summarised below:

Particulars	Year ended 31 <sup>st</sup> March, 2024		Year ended 31 <sup>st</sup> March, 2023	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
<b>Outstanding at the beginning of the year</b>	<b>3,573,225</b>	<b>1,642.98</b>	<b>4,270,658</b>	<b>1,485.35</b>
Granted during the year	1,112,490	1,939.00	1,474,424	1,804.47
Forfeited during the year	206,273	1,804.14	137,475	1,611.54
Exercised during the year	1,364,316	1,460.33	1,894,822	1,413.62
Expired during the year	415,397	1,768.94	139,560	1,670.66
<b>Outstanding at the end of the year</b>	<b>2,699,729</b>	<b>1,825.57</b>	<b>3,573,225</b>	<b>1,642.98</b>
Out of the above exercisable at the end of the year	334,878	1,579.64	835,480	1,439.84
Weighted average remaining contractual life (in years)		1.65		1.46
Weighted average fair value of options granted		509.70		490.13

The details of activity under Plan 2023 have been summarised below:

Particulars	Year ended 31 <sup>st</sup> March, 2024		Year ended 31 <sup>st</sup> March, 2023	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
<b>Outstanding at the beginning of the year</b>	-	-	-	-
Granted during the year	108,417	1,823.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>108,417</b>	<b>1,823.00</b>	<b>-</b>	<b>-</b>
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)		2.44		-
Weighted average fair value of options granted		377.70		-

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,842.83 (previous year ₹ 1,772.38).



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

#### 31<sup>st</sup> March, 2024

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
1,201-1,300	10,020	0.28	1,240.89
1,301-1,400	174,514	0.25	1,341.00
1,701-1,800	786,518	1.65	1,798.00
1,801-1,900	774,484	1.48	1,814.32
1,901-2,000	1,062,610	2.08	1,939.00

#### 31<sup>st</sup> March, 2023

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
901-1,000	75,321	0.73	1,000.00
1,001-1,100	10,000	0.25	1,050.00
1,201-1,300	20,040	1.03	1,240.89
1,301-1,400	738,312	0.72	1,341.00
1,401-1,500	442,832	0.25	1,460.00
1,701-1,800	1,224,120	2.08	1,798.00
1,801-1,900	1,062,600	1.83	1,809.20

#### Stock appreciation rights

At the General Meeting on 29<sup>th</sup> June, 2015, the shareholders of the Bank had passed Special Resolution to grant SARs to the eligible employees of the Bank and its subsidiaries. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 had been formulated and adopted. Subsequently, the SARs have been granted under this scheme. The Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1<sup>st</sup> December 2023 in place of SARs Scheme 2015. SARs Scheme 2015 is operational only to the extent of treatment of SARs granted till 30<sup>th</sup> November 2023.

The SARs are settled in cash and vest on the respective due dates in a graded manner as per the terms and conditions of grant. The contractual life of the SARs outstanding range from 1.00 to 4.13 years.

Detail of activity under SARs is summarised below:

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
<b>Outstanding at the beginning of the year</b>	<b>1,252,174</b>	<b>623,855</b>
Granted during the year	1,351,301	870,541
Additions/(Reduction) due to transfer of employees	9,571	28,888
Settled during the year	431,501	193,696
Forfeited during the year	161,174	77,414
<b>Outstanding at the end of the year</b>	<b>2,020,371</b>	<b>1,252,174</b>

### Fair value of Employee stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted. The fair value of the cash-settled options is remeasured at each Balance Sheet date. The following table lists the inputs to the model used for equity-settled and cash-settled options:

Year ended 31 <sup>st</sup> March,	2024		2023	
	Equity-settled	Cash-settled	Equity-settled	Cash-settled
Exercise Price ₹	1823-1939	0-1801	1,798-1,900	0-1,801
Weighted Average Share Price ₹	1,927.50	1,825.07	1,782.25	1,735.68
Expected Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Historical Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Life of the options granted (Vesting and exercise period)				
- At the grant date	1.25-4.42		1.25-4.31	
- As at 31 <sup>st</sup> March		0.02-3.84		0.02-4.04
Risk-free interest rate	7.01%-7.26%	6.89%-7.19%	5.75%-7.77%	6.79%-7.32%
Expected dividend rate	0.08%	0.08%-0.09%	0.06%	0.06%

The expected volatility was determined based on historical volatility data and the Bank expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options and re measurement date for the cash settled options, corresponding with the expected / residual life of the share-linked instruments has been considered.

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

(₹ in crore)

Year ended 31 <sup>st</sup> March,	2024	2023
Total Employee compensation cost pertaining to share-based payment plans	168.02	99.77
Compensation cost pertaining to equity-settled employee share-based payment plan included above	25.44	24.18
Liability for employee stock options outstanding as at year end	140.44	121.78
Deferred Compensation Cost	61.15	61.48
Closing balance of liability for cash-settled options	163.11	99.10
Expense arising from increase in intrinsic value of liability for cash stock appreciation plan	77.22	31.69

Had the Bank recorded the compensation cost for all share-linked instruments granted on or before 31 March 2021 on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹ 2.41 crore (previous year ₹ 5.20 crore) and the profit after tax would have been lower by ₹ 1.81 crore (previous year ₹ 3.89 crore). Consequently the basic and diluted EPS would have been ₹ 69.14 (previous year ₹ 54.87) and ₹ 69.14 (previous year ₹ 54.85) respectively.

## 9. EMPLOYEE BENEFITS

i. The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Provident Fund	282.02	235.48
Superannuation Fund	1.20	1.17
New Pension Fund	12.84	10.51
DIFC Employee Workplace Savings Scheme (DEWS)	0.70	0.72




**ii. Gratuity**

The gratuity plan provides a lumpsum payment to vested domestic employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Bank subject to a maximum of ₹ 0.20 crore. There is no ceiling on gratuity payable to directors and certain categories of employees subject to service regulations and service awards.

Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity benefits is given below.

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Change in benefit obligations</b>		
Liability at the beginning of the year	522.55	515.20
Current Service cost	90.54	77.27
Interest cost	40.35	36.19
Actuarial Losses / (Gain)	17.39	(7.71)
Past Service Cost	4.32	-
Liability assumed on acquisition / (Settled on divestiture)	0.31	0.61
Benefits paid	(95.03)	(99.01)
<b>Liability at the end of the year</b>	<b>580.43</b>	<b>522.55</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	502.57	572.43
Expected return on plan assets	32.83	38.66
Actuarial Gain / (Losses)	64.85	(40.51)
Benefits paid	(95.03)	(99.01)
Employer contributions	127.70	31.00
<b>Fair value of plan assets at the end of the year</b>	<b>632.92</b>	<b>502.57</b>

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Fair value of plan assets at the end of the year	632.92	502.57
Liability at the end of the year	580.43	522.55
(Net Liabilities)/Net Asset included in "Others" under "Other Liabilities & Other Asset"	<b>52.49</b>	<b>(19.98)</b>
<b>Expense recognised for the year</b>		
Current Service cost	90.54	77.27
Interest cost	40.35	36.19
Expected return on plan assets	(32.83)	(38.66)
Actuarial (Gain) / Loss	(47.46)	32.80
Past Service Cost	4.32	-
<b>Net gratuity expense recognised in Schedule 16.I</b>	<b>54.92</b>	<b>107.60</b>
<b>Actual return on plan assets</b>	<b>97.69</b>	<b>(1.84)</b>

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Net (Asset) / Liability at the beginning of the year	19.98	(57.23)
Expense recognized	54.92	107.60
Liability assumed on acquisition / (Settled on divestiture)	0.31	0.61
Employer contributions	(127.70)	(31.00)
<b>Net (Asset) / Liability</b>	<b>(52.49)</b>	<b>19.98</b>

### Investment details of plan assets

The plan assets are invested in insurer managed funds. Major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	31 <sup>st</sup> March, 2024 %	31 <sup>st</sup> March, 2023 %
LIC managed funds #	0.34%	0.31%
Government securities	24.88%	32.87%
Bonds, debentures and other fixed income instruments	14.70%	35.65%
Money market instruments	4.62%	19.55%
Equity shares	55.46%	11.62%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\* In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### Actuarial assumptions used

Discount rate	7.15% - 7.18% p.a. (previous year 7.30% - 7.39% p.a.)
Salary escalation rate	5.50% - IBA, 7% - (others) p.a. (previous year 5.50% (IBA) and 12% in year 1 inclusive and 7% thereafter (others) p.a.)
Expected return on plan assets	7.50% p.a. (previous year 7.00% p.a.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

### Experience adjustments

Amounts for the current and previous four years are as follows:

(₹ in crore)

Gratuity	Year ended 31 <sup>st</sup> March				
	2024	2023	2022	2021	2020
Defined benefit obligation	580.43	522.55	515.20	497.48	455.85
Plan assets	632.92	502.57	572.43	546.65	412.45
Surplus / (Deficit)	52.49	(19.98)	57.23	49.17	(43.40)
Experience adjustments on plan liabilities	12.97	7.66	22.61	12.62	41.19
Experience adjustments on plan assets	64.85	(40.51)	34.10	60.28	(36.81)

The Bank expects to contribute ₹ 53.71 crore to gratuity fund in financial year 2024-2025.

The above information is as certified by the actuary and relied upon by the auditors.



### iii. Pension

Pension liability relates to employees of Eivbl

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits is given below.

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
	Funded	Funded
<b>Change in benefit obligations</b>		
Liability at the beginning of the year	1,912.65	1,909.31
Transfer of liabilities funded during the year	-	-
Current Service cost	74.28	63.16
Interest cost	135.35	134.04
Actuarial (gain) / loss on obligations	171.29	40.67
Past Service cost	-	-
Benefits paid	(181.90)	(234.53)
<b>Liability at the end of the year</b>	<b>2,111.67</b>	<b>1,912.65</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	1,873.26	1,953.43
Expected return on plan assets	126.45	133.47
Actuarial Gain / (loss)	13.37	11.27
Benefits paid	(181.90)	(234.53)
Employer contributions	48.13	9.62
<b>Fair value of plan assets as at the end of the year</b>	<b>1,879.31</b>	<b>1,873.26</b>

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan Assets	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
	Funded	Funded
Fair value of plan assets as at the end of the year	1,879.31	1,873.26
Liability at the end of the year	2,111.67	1,912.65
<b>Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities"</b>	<b>(232.36)</b>	<b>(39.39)</b>
Expenses recognised for the year		
Current service cost	74.28	63.16
Interest cost	135.35	134.04
Expected return on plan assets	(126.45)	(133.47)
Actuarial (gain) / loss	157.92	29.40
Effect of the limit in Para 59(b)	-	-
<b>Net pension expense recognized in Schedule 16.I</b>	<b>241.10</b>	<b>93.13</b>
<b>Actual return on plan assets</b>	<b>139.81</b>	<b>144.74</b>

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
	Funded	Funded
<b>Reconciliation of the Liability recognized in the Balance Sheet</b>		
Net (Asset) / Liability at the beginning of the year	39.39	(44.12)
Expense recognized	241.10	93.13
Employer contributions	(48.13)	(9.62)
Effect of the limit in Para 59(b)	-	-
<b>Net (Asset) / Liability is included in "Others" under "Other Assets" / "Other Liabilities"</b>	<b>232.36</b>	<b>39.39</b>

### Investment details of plan assets

The plan assets are invested in a fund managed by Life Insurance Corporation of India. In the absence of detailed information regarding plan assets of the fund, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### Actuarial assumptions used

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Discount rate	7.19% p.a.	7.39% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	7.50% p.a.	7.50% p.a.
Inflation	10.00% p.a.	10.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors like settlement with employee unions.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

### Experience adjustments

Amounts for the current year are as follows:

(₹ in crore)

Pension	Year ended 31 <sup>st</sup> March,				
	2024	2023	2022	2021	2020
Defined benefit obligation	2,111.67	1,912.65	1,909.31	1,891.94	1,600.48
Plan assets	1,879.31	1,873.26	1,953.43	1,872.49	1,514.35
Surplus / (deficit)	(232.36)	(39.39)	44.12	(19.45)	(86.13)
Experience adjustments on plan liabilities	133.49	140.78	248.33	199.72	440.57
Experience adjustments on plan assets	13.37	11.27	34.13	(1.52)	(7.85)

The Bank expects to contribute ₹ 228.21 crore to pension fund in financial year 2024-2025.

### iv. Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total actuarial liability	153.11	129.40
<b>Assumptions:</b>		
Discount rate	7.15% - 7.18% - 4.27% (DIFC) p.a.	7.30% - 7.39% - 3.52% (DIFC) p.a.
Salary escalation rate	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.

### v. Long Service Award

The actuarially determined liability in respect of Long Service Award of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total actuarial liability	10.41	9.49
<b>Assumptions:</b>		
Discount rate	7.15%-7.19% p.a.	7.30%-7.39% p.a.



## 10. PROVISIONS AND CONTINGENCIES

Breakup of "Provisions and Contingencies" (including write-offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account:

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Provisions for Investments (including NPI)**	79.22	(21.05)
Provision towards NPA	1,486.46	507.69
Provision towards Unhedged Foreign Currency Exposure	10.71	(11.09)
Provision towards Standard Assets	97.65	140.42
General Provision – Covid-19 Deferment Cases	(124.90)	(159.55)
Provision for country risk exposure	-	(4.79)
Provision for Current Tax	4,183.40	3,412.17
Provision for Deferred Tax	48.73	39.52
Other Provision and Contingencies	24.60	5.36
<b>Total Provisions and Contingencies</b>	<b>5,805.87</b>	<b>3,908.68</b>

\*Provision in respect of security receipts of ₹ 64.91 crore for the year ended 31<sup>st</sup> March, 2024 was re-classified as Non Performing Investments (NPI). The same was earlier accounted as Mark to Market Loss under "Other Income". Such reclassification has no impact on the result of the respective periods.

\*\*Includes provision of ₹ 33.13 crore on applicable Alternate Investments Funds (AIF) Investments in accordance with RBI circular dated 19<sup>th</sup> December, 2023 and 27<sup>th</sup> March, 2024.

11. The Bank held an aggregate COVID-19 related provision of ₹ 387.45 crore as of 31<sup>st</sup> March, 2023. Based on the improved outlook and on actual collections, the Bank has reversed provisions amounting to ₹ 124.90 crore during the year ended 31<sup>st</sup> March, 2024 and continues to hold provision of ₹ 262.55 crore as at 31<sup>st</sup> March, 2024.

## 12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kotak Mahindra Bank Limited ("Bank") recognises its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

### Disclosures in relation to corporate social responsibility expenditure:

(₹ in crore)

Details of CSR Expenditure	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Amount of expenditure incurred*</b>		
Contribution to Kotak Education Foundation	32.12	22.74
Contribution to Other Initiatives	87.61*	72.10
<b>Accrual towards unspent obligations (Shortfall) in relation to:</b>		
Ongoing project	111.08**	93.11
Other than ongoing project	Nil	Nil
<b>Total</b>	<b>230.81</b>	<b>187.95</b>
Amount required to be spent as per Section 135 of the Act	230.24	187.41
Amount of cumulative unspent at the end of the year	184.55**	168.34
<b>Amount spent during the year on</b>		
(i) Construction / acquisition of any asset	28.31 <sup>§</sup>	22.47 <sup>^</sup>
(ii) On purposes other than (i) above	91.42	72.36

\*Includes administrative overheads and impact assessment cost and excludes ₹ 6.27 crore (unutilised funds) which was refunded by implementing agencies in April 2024.

\*\*Includes ₹ 6.27 crore (unutilised funds) which was refunded by implementing agencies in April 2024.

<sup>§</sup> For funding capital assets which are held in the books of the implementing partner organizations / beneficiaries / public authorities. Includes advances paid against construction/acquisition of Capital assets and doesn't include amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

<sup>^</sup> does not include advances paid against construction / acquisition of Capital assets and amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

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

(₹ in crore)

Financial Year	Balance as at 1 <sup>st</sup> April		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 <sup>st</sup> March	
	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	-	-	218.39	107.31	-	111.08 <sup>#</sup>	-
FY 22-23	93.11 <sup>*</sup>	-	-	-	56.15	-	36.96 <sup>**</sup>
FY 21-22	-	70.86 <sup>§</sup>	-	-	34.36	-	36.50
FY 20-21	-	4.37	-	-	4.37	-	Nil

\* The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2022-23 in April 2023 and includes refund of ₹ 2.96 crore received in April 2023.

\*\* Includes refund of ₹ 0.007 crore received in April 2024.

<sup>#</sup> The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY2023-24 on 29<sup>th</sup> April 2024. Also includes an amount of ₹ 6.27 crore which was refunded by implementing agencies in April 2024.

<sup>§</sup> Includes ₹ 0.29 crore (unutilised funds) received from implementing agencies in April 2023.

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

(₹ in crore)

Balance unspent as at 1 <sup>st</sup> 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 <sup>st</sup> March 2024
Nil	-	8.87	8.87	Nil

**Notes**

- The amount required to be spent is Board approved CSR Project Budget for Other than Ongoing (Annual) CSR Projects for FY2023-24.
- The amount spent does not include CSR Administrative Overheads Expenditure of ₹ 2.99 crore and impact assessment cost of ₹ 0.56 crore.

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

(₹ in crore)

Balance excess spent as at 1 <sup>st</sup> April 2023	Amount required to be spent during the year	Amount spent during the year	Unspent/ unutilised CSR amount transferred to Unspent CSR Account FY 2023-24	Total	Balance excess spent as at 31 <sup>st</sup> March 2024
1.42	230.24	119.73 <sup>*</sup>	111.08	230.81	1.99

\* Include CSR Administrative Overheads Expenditure of ₹ 2.99 crore and impact assessment cost of ₹ 0.56 crore.

**13. TIER II BONDS**

- Lower Tier II Bonds outstanding as at 31<sup>st</sup> March, 2024 and as at 31<sup>st</sup> March 2023 is ₹ Nil.
- Upper Tier II Bonds outstanding as at 31<sup>st</sup> March, 2024 and as at 31<sup>st</sup> March 2023 is ₹ Nil.
- Interest Expended-Others (Schedule 15(III)) includes interest on subordinated debt (Lower and Upper Tier II) ₹ Nil (previous year ₹ 21.33 crore).

**14. DETAILS OF PAYMENTS OF AUDIT FEES**

(₹ in crore)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Statutory Audit fees	3.69	3.44
Other Matters	0.47	0.44
<b>Total</b>	<b>4.16</b>	<b>3.88</b>



## 15. DESCRIPTION OF CONTINGENT LIABILITIES

Sr.	Contingent Liability*	Brief Description
1.	Claims not acknowledged as debts	This includes liability on account of Direct and Indirect tax demands and legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. In respect of appeals filed by the Income Tax department with higher authorities, where the matter was settled in favour of the Bank at the first appellate stage, and where in view of the Management, it gives rise to an item of timing difference, no contingent liability is envisaged by the Bank.
2.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts with inter Bank participants and with its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3.	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	These includes: <ul style="list-style-type: none"> <li>• Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Bank.</li> <li>• Bills re-discounted by the Bank and cash collateral provided by the Bank on assets which have been securitised.</li> <li>• Underwriting commitments in respect of Debt Syndication.</li> </ul>
5.	Other items for which the Bank is contingently liable	These include: <ul style="list-style-type: none"> <li>• Liabilities in respect of interest rate swaps, currency swaps, forward rate agreements, futures and options contracts. The Bank enters into these transactions with inter Bank participants and its customers. Currency Swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of interest component of the contracts.</li> <li>• Liability in respect of Capital commitments relating to fixed assets and undrawn commitments in respect of investments.</li> <li>• Amount Transferred to RBI under the Depositor Education and Awareness Fund ('DEA Fund').</li> </ul>

\* Also refer Schedule 12 – Contingent Liability

## 16. SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable:

(₹ in crore)

Sr. No	Particulars	As at	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.81	Nil
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid on principal amount due to suppliers as at year end	0.03	Nil
3	Principal amounts paid to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	28.58	7.09
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
6	Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made	0.31	0.05
7	Further interest remaining due and payable for earlier years	0.05	Nil
8	Total amount of interest remaining due and unpaid at the end of the current financial year (sum of items in Sr. no. 2, 6 & 7)	0.39	0.05

17. The Bank, as part of its normal banking business that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18. The Bank has acquired 100% of the issued and paid up capital of Sonata Finance Private Limited, a Non-Banking Finance Company – Micro Finance Institution registered with the RBI for a total consideration of ₹ 537.12 crore. With this acquisition, Sonata has become a wholly owned subsidiary of the Bank w.e.f. 28<sup>th</sup> March, 2024.
19. The Bank and Kotak Mahindra General Insurance Company Limited ("KGI") have entered into definitive agreements for a transaction with Zurich Insurance Company Limited ("Zurich"), whereby Zurich will acquire 70% stake in KGI by way of a combination of primary and secondary acquisitions in a single tranche, for a total consideration of approximately ₹ 5,560 Crore ("Transaction"). Transaction would be subject to fulfilment of customary conditions precedent, including the receipt of regulatory approvals from the Reserve Bank of India and the Insurance Regulatory and Development Authority of India. Upon completion of the Transaction (subsequent to receipt of all requisite approvals), KGI will cease to be a Wholly Owned Subsidiary of the Bank.
20. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software except for six of the accounting software where audit trail has not been enabled at the database level to log any direct data changes. Also in respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trail was enabled or not for direct data changes at the database level.
21. The Bank has received an order from the Reserve Bank of India dated 24<sup>th</sup> April 2024, directing the Bank to cease and desist, with immediate effect from (i) onboarding new customers through the Bank's online and mobile banking channels and (ii) issuing fresh credit cards. The order was based, inter alia, on the deficiencies observed by the RBI in their IT Examination of the Bank.
- These directions shall be reviewed by RBI upon satisfactory remediation of the observations. The Bank has taken concrete steps to adopt new technologies to strengthen its IT systems and will continue to work with RBI to swiftly resolve balance issues at the earliest. The Bank believes that these directions will not materially impact its overall business. The Bank has evaluated the order and assessed no material impact on its financial statements and internal financial controls over financial reporting for the year ended 31<sup>st</sup> March 2024.
22. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration No. 105146W/W100621

**C S Rajan**  
Chairman  
DIN: 00126063

**Ashok Vaswani**  
Managing Director and  
Chief Executive Officer  
DIN: 10227550

**Gautam Shah**  
Partner  
Membership No. 117348

**Shanti Ekambaram**  
Deputy Managing Director  
DIN: 00004889

**Uday Khanna**  
Director  
DIN: 00079129

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm Registration No. 301112E/E300264

**Devang Gheewalla**  
President and  
Group Chief Financial Officer  
Membership No. 045993

**Avan Doomasia**  
Senior Executive Vice President and  
Company Secretary  
FCS. No. 3430

**Russell I Parera**  
Partner  
Membership No. 042190

Mumbai  
4<sup>th</sup> May, 2024