



June 22, 2024

KMBL/046/2024-25

<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
<b>BSE Scrip Code:</b> 500247, 958687, 974396, 974682, 974924, 975387	<b>NSE Symbol:</b> KOTAKBANK, KMBL, KMB26, KMB29, KMB30

Dear Sirs,

**Sub: Newspaper Clippings - Standalone Audited Financial Results of the Bank for the financial year ended March 31, 2024**

We enclose herewith a copy of the Standalone Audited Financial Results of the Bank for the financial year ended March 31, 2024 published in Business Standard and Mumbai Lakshadeep, Mumbai Edition, on June 20, 2024.

The above information is also being hosted on the Bank's website <https://www.kotak.com/en/investor-relations/governance/sebi-listing-disclosures.html>.

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,

**For Kotak Mahindra Bank Limited**

**Avan Doomasia**  
**Company Secretary**

Encl.: as above

**KOTAK MAHINDRA BANK LIMITED**

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

STANDALONE 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.

STANDALONE 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	137,689,937	
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)		<b>137,815,824</b>	<b>109,392,951</b>	
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>				
Basic		69.15	54.89	
Diluted		69.15	54.87	
(Refer Note 1 - Schedule 18 B)				
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.

STANDALONE 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>				
Profit after tax	137,815,824	109,392,951		
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	(2,10,499)		
Dividend from Subsidiaries / Joint Ventures	(3,089,012)	(2,422,740)		
Amortization of Premium on HTM Investments (Profit)/Loss on revaluation of Investments (net)	3,613,242	5,258,387		
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>Total</b>	<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	6,572,993		
<b>Total</b>	<b>(2,793,691)</b>	<b>(207,224,488)</b>		
Direct Taxes Paid	(46,151,531)	(34,777,571)		
<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>		

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 <sup>st</sup> MARCH, 2024 (Continued)				
(₹ 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 (i))	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	-		
<b>Balance with Banks Outside India:</b>				
(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>		

SCHEDULES FORMING PART OF STANDALONE BALANCE SHEET AS AT 31 <sup>st</sup> MARCH, 2024				
(₹ in thousands)				
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023		
<b>SCHEDULE 1 - CAPITAL 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>Total</b>	<b>19,000,000</b>	<b>19,000,000</b>		
<b>Issued, Subscribed and Paid-up Capital</b>				
1,897,920,898 (31 <sup>st</sup> March, 2023; 1,986,556,582 Equity Shares of ₹ 5/- each fully paid-up Nil (31 <sup>st</sup> March, 2023; 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each fully paid-up	9,939,604	9,932,783		
<b>Total</b>	<b>9,939,604</b>	<b>14,932,783</b>		
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>				
<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 Less: Share Issue Expenses	2,175,407	2,814,533		
<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>		
<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>		
<b>SCHEDULE 3 - DEPOSITS</b>				
<b>A. I. Demand Deposits</b>				
i. From Banks	3,068,958	2,435,164		
ii. From Other	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 Other	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>		
<b>SCHEDULE 4 - BORROWINGS</b>				
<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>				
283,680,956	234,162,684			
Secured Borrowings other than CBL0 and Repo Borrowings included in I above				
Tier II Bonds included in I (iii) above	-	-		
Tier II Bonds included in II above	-	-		
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>				
I. Bills Payable	36,051,339	30,880,206		
II. Interest Accrued	22,336,906	11,966,131		
III. Provision for tax (net of advance tax and tax deducted at source)	-	2,378,818		
IV. Standard Asset provision	16,256,473	15,172,925		
V. Others (including provisions) (Refer Note 45 - Schedule 18 A and Note 11 - Schedule 18 B)	188,519,764	137,900,984		
<b>Total</b>	<b>263,164,482</b>	<b>198,299,064</b>		
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>				
I. Cash in hand (including foreign currency notes)	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>		
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>				
<b>I. In India</b>				
(a) Balances with Banks	3,266,665	3,758,533		
(b) In Current 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>		

SCHEDULES FORMING PART OF STANDALONE PROFIT AND LOSS ACCOUNT 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>SCHEDULE 8 - INVESTMENTS</b>				
<b>I. In Government Securities</b>				
(i) Government Securities (Refer Note 9 - Schedule 18 B)	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	</	



KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

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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.

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.

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.

Table with 2 columns: Asset Type, Estimated Useful life in years. Includes Premises (58), Leasehold Land (Over the lease period), Office equipments (10), 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.

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).

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.

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 assignments route is recognised at their effective interest rates. 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.

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.

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.

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.

New Pension Scheme: The Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Regulatory and Development Authority (PRDA) appointed pension fund manager.

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).

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.

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 treated up based on actuarial valuation conducted as at the Balance Sheet date.

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.

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.

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.

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.

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.

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 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 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.

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.

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 (FEDA) and the resultant gain or loss is charged 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 FEDA for specified maturities and at the interpolated rates of interim maturities.

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 FEDA.

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.

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.

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.

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.

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 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.

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.

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 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.

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.

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.

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.

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.

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

Share issue expenses

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

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.

Segment reporting

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

Table with 2 columns: Segment, Principal activity. Includes Treasury, BMU and Corporate Centre; Corporate / Wholesale Banking; Retail Banking; Digital Banking; Other Retail Banking; Other Banking business.

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)

Table with 3 columns: Particulars, 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023. Includes Common Equity Tier I Capital (CET 1), Additional Tier I Capital, Tier I Capital, Tier II Capital, Total Risk Weighted Assets (RWAs), CET 1 Ratio, Tier I Ratio, Tier II Ratio, Capital to Risk Weighted Assets Ratio (CRAR), Leverage Ratio, Percentage of the shareholding of the Government of India, Amount of paid-up equity capital raised during the year, Amount of non-equity Tier I capital raised during the year of which, PNCPS, PDI, Amount of Tier II Capital raised during the year of which, PNCPS, PDI.

\*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)

Table with 7 columns: As at 31<sup>st</sup> March, 2024, Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and/or joint ventures, Others, Total investments in India. Includes Held to Maturity, Available for Sale, Held for Trading.

(₹ in crore)

Table with 6 columns: As at 31<sup>st</sup> March, 2024, Government Securities (including local authorities), Subsidiaries and/or joint ventures, Others, Total investments outside India, Total investments. Includes Held to Maturity, Available for Sale, Held for Trading.

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

(₹ in crore)

Table with 7 columns: As at 31<sup>st</sup> March, 2023, Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and/or joint ventures, Others, Total investments in India. Includes Held to Maturity, Available for Sale.

Table with 5 columns: Available for Sale, Gross, Less: Provision for depreciation and NPI, Net, Held for Trading, Gross, Less: Provision for depreciation and NPI, Net, Total Investments, Gross, Less: Provision for depreciation and NPI, Net.

(₹ in crore)

Table with 6 columns: As at 31<sup>st</sup> March, 2023, Government securities (including local authorities), Subsidiaries and/or joint ventures, Others, Total investments outside India, Total investments. Includes Held to Maturity, Available for Sale.

(₹ in crore)

Table with 6 columns: As at 31<sup>st</sup> March, 2023, Government securities (including local authorities), Subsidiaries and/or joint ventures, Others, Total investments outside India, Total investments. Includes Held for Trading, Available for Sale.

\* Includes securities with face Value of ₹ 8,447.61 crore pledged and encumbered for availing 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)

Table with 4 columns: Particulars, 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023. Includes Movement of provisions held towards depreciation on investments, Movement of Investment Fluctuation Reserve, Closing balance in IFR as percentage of closing balance of investments in AFS and HFT / Current Category.

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:

Table with 5 columns: 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. Includes Securities sold under repos, Securities purchased under reverse repos.

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

Table with 5 columns: 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. Includes Securities sold under repos, Securities purchased under reverse repos.

5. Disclosure in respect of Non-SLR investments:

(i) Non-performing Non-SLR investments:

Table with 4 columns: Particulars, 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023. Includes Opening balance, Additions during the year, Reductions during the year, Closing balance, Total provisions held.

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

Table with 7 columns: No., Issuer, Amount, Extent of Private Placement, Extent of 'Below Investment Grade' Securities, Extent of 'Unrated' Securities, Extent of 'Unlisted' Securities. Includes PSUs, FIs, Banks, Private Corporates, Subsidiaries, Associates and Joint Ventures, Others.

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:

Table with 7 columns: No., Issuer, Amount, Extent of Private Placement, Extent of 'Below Investment Grade' Securities, Extent of 'Unrated' Securities, Extent of 'Unlisted' Securities. Includes PSUs, FIs, Banks, Private Corporates, Subsidiaries, Associates and Joint Ventures, Others.

Issuer also include investments held outside India. Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

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/GSAPF) 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)

Table with 3 columns: Particulars, 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023. Includes The notional principal of swap agreements, Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements, Collateral required by the Bank upon entering into swaps, Concentration of credit risk arising from the swaps, The fair value of the swap book.



# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

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### B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows include Notional principal amount of exchange traded interest rate derivatives undertaken during the year.

\* 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:

##### 31st March 2024:

(₹ in crore)

Table with columns: Sr. No., Particulars, Currency Derivatives\*, Interest Rate Derivatives. Rows include 1 Derivatives (Notional Principal Amount), 2 Marked to Market Positions, 3 Credit Exposure, 4 Likely impact of one percentage change in interest rate, 5 Maximum of 100\*PV01 observed during the year, 6 Minimum of 100\*PV01 observed during the year.

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 31st March, 2024 are set out below:

(₹ in crore)

Table with columns: Nature, No., Notional Principal, Benchmark, Terms. Rows include Trading 2, 2, 158, 48, 1, 1, 6, 311, 91, 919, 1,889, 452, 3,880.

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

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

(₹ in crore)

Table with columns: Nature, No., Notional Principal, Benchmark, Terms. Rows include Trading 4, 4, 3, 52, 1, 1, 4, 17, 2.

\*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 31st March, 2024 is ₹ 142.78 crore (previous year ₹ 331.21 crore).

##### 31st March 2023:

(₹ in crore)

Table with columns: Sr. No., Particulars, Currency Derivatives\*, Interest Rate Derivatives. Rows include 1 Derivatives (Notional Principal Amount), a) For hedging, b) For trading.

Table with columns: 2 Marked to Market Positions, a) Asset (+), b) Liability (-), 3 Credit Exposure, 4 Likely impact of one percentage change in interest rate, 5 Maximum of 100\*PV01 observed during the year, 6 Minimum of 100\*PV01 observed during the year.

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 31st March, 2023 are set out below:

(₹ in crore)

Table with columns: Nature, No., Notional Principal, Benchmark, Terms. Rows include Trading 1, 1, 19, 104, 1, 65, 22, 1, 200, 35, 90, 19, 379, 1,133, 194, 2,264.

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

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

(₹ in crore)

Table with columns: Nature, No., Notional Principal, Benchmark, Terms. Rows include Trading 3, 3, 4, 67, 3, 14, 3, 18, 123.

\*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 31st March, 2024 (₹ in crore)

Table with columns: Particulars, Standard, Sub-Standard, Non-Performing, Total Non-Performing, Total. Rows include Gross Standard Advances and NPAs, Opening Balance, Add: Additions during the year, Less: Reductions during the year, Closing Balance, Ratios, Provisions (excluding Floating Provisions).

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 31st March, 2024.

As at 31st March, 2023 (₹ in crore)

Table with columns: Particulars, Standard, Sub-Standard, Non-Performing, Total Non-Performing, Total. Rows include Gross Standard Advances and NPAs, Opening Balance, Add: Additions during the year, Less: Reductions during the year, Closing Balance, Ratios, Provisions (excluding Floating Provisions).

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 31st March, 2023.

#### 10. Movement of Technical Write-offs and Recoveries:

(₹ in crore)

Table with columns: Particulars, Year ended 31st March, 2024, 31st March, 2023. Rows include Opening balance of Technical / Prudential write-off accounts as at 1st April, Add: Technical / Prudential write-offs during the year, Less: Recoveries / Reductions made from previously Technical / Prudential write-off accounts during the year, Closing Balance as at 31st March.

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

#### 12. Concentration of NPAs:

(₹ in crore)

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows include Total Exposure to top twenty NPA accounts\*, Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs (\* Above represents Gross NPA).

#### 13. RBI vide its circular dated 1st 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)

Table with columns: Sl. No, Sector, Outstanding Total Advances\*, Gross NPAs, Percentage of Gross NPAs to Total Advances in that Sector. Rows include A Priority Sector, B Non Priority Sector.

\*Amount is less than 50,000/-

(₹ in crore)

Table with columns: Sl. No, Sector, Outstanding Total Advances\*, Gross NPAs, Percentage of Gross NPAs to Total Advances in that Sector. Rows include A Priority Sector, B Non Priority Sector.

\* Represents Gross Advances

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

#### 15. Priority sector lending certificate

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

As at 31st March, 2024:

(₹ in crore)

Table with columns: Sr. No, Type of PSLCs, Purchased, Sold. Rows include 1 PSLC - Agriculture, 2 PSLC - SF / MF, 3 PSLC - Micro Enterprises, 4 PSLC - General.

As at 31st March, 2023:

(₹ in crore)

Table with columns: Sr. No, Type of PSLCs, Purchased, Sold. Rows include 1 PSLC - Agriculture, 2 PSLC - SF / MF, 3 PSLC - Micro Enterprises, 4 PSLC - General.

#### 16. Details of accounts subjected to restructuring\*

(₹ in crore)

Table with columns: Particulars, Agriculture and allied activities, Corporates (excluding MSME), Micro, Small and Medium Enterprises (MSME). Rows include Standard, Sub-standard, Doubtful, Total.

\*Restructuring as defined as per applicable regulations.

\* Does not include provisions made over regulatory requirement as on 31st March, 2024 amounting to ₹ 43.08 crore (previous year ₹ 82.50 crore).

#### Disclosure on the scheme for MSME sector - restructuring of advances

As at 31st March, 2024:

(₹ in crore)

Table with columns: No. of accounts restructured, Amount. Rows include 650\*, 396.44.

\* Disclosure given is at borrower level

As at 31st March, 2023:

(₹ in crore)

Table with columns: No. of accounts restructured, Amount. Rows include 960\*, 630.78.

\* Disclosure given is at borrower level

#### Disclosure on Resolution of stressed assets:

In terms of the RBI circular dated 7th June 2019 on Prudential Framework for Resolution of Stressed Assets, during the financial year ended 31st 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)

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows include Total Assets, Total NPAs, Total Revenue.

#### 18. Details of transfer of loan exposures

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

(i) The Bank has not transferred any Loans not in default, Special Mention Account (SMA) and Non-performing Assets (NPAs), (previous year Nil).

(ii) Details of Loans not in default acquired from eligible lenders through assignment:

(₹ crore except tenor)

Table with columns: Sr. No, Particulars, As at 31st March, 2024, 31st March, 2023. Rows include 1 Aggregate amount of loans acquired, 2 Aggregate consideration paid, 3 Weighted average residual maturity, 4 Weighted average holding period of originator, 5 Relation of beneficial economic interest, 6 Coverage of tangible security coverage(%), 7 Rating-wise distribution of rated loans.

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

(₹ crore except tenor)

Table with columns: Portfolio acquired during the year ended, Aggregate outstanding of loans acquired, Aggregate consideration paid, Weighted average residual tenor of loans acquired (in Years). Rows include 31st March, 2024, 31st March, 2023.

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

(₹ crore except tenor)

Table with columns: Portfolio acquired during the year ended, Aggregate outstanding of loans acquired, Aggregate consideration paid, Weighted average residual tenor of loans acquired (in Years)¹. Rows include 31st March, 2024, 31st March, 2023.

¹ - Weighted Average residual tenor of loans is excluding limit based facilities

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

Table with columns: Recovery Rating, Anticipated Recovery as per Recovery Rating, Carrying Value as at 31st March, 2024, Carrying Value as at 31st March, 2023. Rows include NR1/R1+RR1+, NR2/R1/RR1, NR3/R2/RR2, NR4/R3/RR3, NR5/R4/RR4, NR6/R5/RR5, Yet to be rated\*\*, Unrated, Total.

¹ - 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)

Table with columns: Particulars, 31st March, 2024, 31st March, 2023. Rows include Total unsecured advances of the bank, Total unsecured advances of the bank.

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:

Year ended

Table with columns: Particulars, 31st March, 2024, 31st March, 2023. Rows include Interest income as a percentage of working funds (A), Non-interest income as a percentage of working funds (B), Net Interest Margin (E), Operating profit as a percentage of working funds (B) & (F), Return on assets (average) (F), Business (deposit plus advance) per employee (₹ in crore) (C), Profit per employee (₹ in crore) (D), Definitions.

(A) Working funds to be reckoned as average of total assets (including 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:

31st March, 2024:

(₹ in crore)

Table with columns: Particulars, Day 1, 2 to 7 days, 8 to 14 days, 15 to 30 days, 31 days to 90 days, Over 2 months to upto 3 months, Over 3 months to upto 6 months, Over 6 months to upto 1 year, Over 1 year to upto 3 years, Over 3 years to upto 5 years, Over 5 years, Total. Rows include Advances, Investments, Deposits, Borrowings, Foreign Currency Assets, Foreign Currency Liabilities.

\*\* Listed equity investments in AFS have been considered at 50% (₹566.23 crore) haircut as per RBI directions.

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

\* 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.

31st March, 2023:

(₹ in crore)

Table with columns: Particulars, Day 1, 2 to 7 days, 8 to 14 days, 15 to 30 days, 31 days to 90 days, Over 2 months to upto 3 months, Over 3 months to upto 6 months, Over 6 months to upto 1 year, Over 1 year to upto 3 years, Over 3 years to upto 5 years, Over 5 years, Total. Rows include Advances, Investments, Deposits, Borrowings, Foreign Currency Assets, Foreign Currency Liabilities.

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

\* Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 5,662.10 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)

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows include a) Direct exposure.



## KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>i Residential Mortgages –</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is tenanted (including 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
<b>ii Commercial Real Estate –</b> 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
<b>iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures–</b> - Residential, - Commercial Real Estate	-	-
<b>b) Indirect Exposure</b>	3,313.34	5,924.40
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	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\*:**

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>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.*</b>	1,967.29	2,362.01
<b>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;</b>	979.74	844.77
<b>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;</b>	-	-
<b>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;</b>	4,363.65	4,643.95
<b>v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;</b>	2,604.48	2,449.04
<b>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;</b>	-	-
<b>vii. Bridge loans to companies against expected equity flows / issues;</b>	-	-
<b>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;</b>	581.62	1,293.16
<b>ix. Financing to stockbrokers for margin trading;</b>	1,900.40	1,090.94
<b>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)</b>	1,735.62	30.54
<b>xi. Others (Financial Guarantees)</b>	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.CB.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.

Risk Category	Exposure (net) as at 31 <sup>st</sup> March, 2024		Provision held as at 31 <sup>st</sup> March, 2023	
	Exposure (net) as at 31 <sup>st</sup> March, 2024	Provision held as at 31 <sup>st</sup> March, 2023	Exposure (net) as at 31 <sup>st</sup> March, 2023	Provision held 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>8,684.15</b>	-

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

**23. Concentration of deposits:**

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\*:**

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total Advances of 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\*:**

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.CB. 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 half-year		Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
			Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the 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>2</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.

# Represents debt that slipped into NPA and was subsequently written off during the half-year.

2 includes change in balances on account of interest and net of increase in exposure during the period.

3 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) 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 / adjudicated 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 / adjudicated 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:**

Sr. No.	Nature of Income	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
		(₹ in crore)	
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:**

Sr. No.	Particulars	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
		(₹ in crore)	
(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
		(₹ in crore)	
(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	Year ended	
		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

**Maintainable complaints received by the bank from OBOs**

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
<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	222
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)**

Sr. No.	Nature of Income	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
		(₹ in crore)	
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, 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:**

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:**

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
- 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



# KOTAK MAHINDRA BANK LIMITED

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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 ₹ 3,154.68 crore (previous year ₹ 1,393.73 crore).

### 39. a) Liquidity Coverage Ratio

Table showing Liquidity Coverage Ratio for Q4 2023-2024 and Q1 2024-2025. Includes metrics like High Quality Liquid Assets, Cash Outflows, and Cash Inflows.

Table showing Liquidity Coverage Ratio for Q2 2023-2024 and Q3 2023-2024. Includes metrics like High Quality Liquid Assets, Cash Outflows, and Cash Inflows.

Table showing Liquidity Coverage Ratio for Q4 2022-2023 and Q1 2023-2024. Includes metrics like High Quality Liquid Assets, Cash Outflows, and Cash Inflows.

Table showing Liquidity Coverage Ratio for Q2 2022-2023 and Q3 2022-2023. Includes metrics like High Quality Liquid Assets, Cash Outflows, and Cash Inflows.

Table showing Total Adjusted Value for various assets: TOTAL HQLA, Total Net Cash Outflows, and Liquidity Coverage Ratio (%).

### 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.

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:

Table showing details of fraud provisioning: Number of fraud reported, Amount involve in Fraud, Provision made during the year, and Quantum of unamortised provision debited from other reserve.

### 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

Table showing Payment of DICGC Insurance Premium for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes details like Sr. No., Particulars, and amounts.

### 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 11th 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

a) 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).

b) Details of items under Others (Schedule 11 - Other Assets) exceeding 1% of total assets of the Bank is Nil (previous year Nil).

c) Details of items under Miscellaneous Income (Schedule 14 - Other Income) exceeding 1% of total income of the Bank is Nil. (previous year Nil).

d) Details of items under Other expenditure (Schedule 16 - Operating Expenses) exceeding 1% of total income of the Bank are given below:

Table showing Nature of expense and Year ended amounts for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023.

### B. OTHER DISCLOSURES:

#### 1. Earnings per Equity Share:

Table showing Earnings per Equity Share for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Particulars, 31<sup>st</sup> March, 2024, and 31<sup>st</sup> March, 2023.

#### 2. Segment Reporting:

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

Table showing Segment Reporting: Sr. No., Particulars, 31<sup>st</sup> March, 2024, and 31<sup>st</sup> March, 2023.

Table showing Segment Revenue for year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Retail Banking, Corporate / Wholesale Banking, and Other Banking business.

### 4. Segment Liabilities

Table showing Segment Results for year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Treasury, BMU and Corporate Centre, Corporate / Wholesale Banking, and Retail Banking.

### 5. Capital Expenditure

Table showing Depreciation / Amortisation for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Treasury, BMU and Corporate Centre, Corporate / Wholesale Banking, and Retail Banking.

### 6. Depreciation / Amortisation

Table showing Net Deferred Tax Asset for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Provision for NPA and General provisions, Expenditure allowed on payment basis, and Depreciation.

### Provisions:

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

Table showing Credit card & debit card reward points: Particulars, 31<sup>st</sup> March, 2024, and 31<sup>st</sup> March, 2023.

### c) Fraud and Other Provisions:

Table showing Particulars for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Opening Provision, Add: Addition during the year, and Less: Reduction during the year.

### 6. Fixed Assets as per Schedule 10B include intangible assets relating to purchased software and system development expenditure which are as follows:

Table showing Particulars for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Gross Block, At cost on 31<sup>st</sup> March of the preceding year, and Add: Additions during the year.

### 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:

Table showing Nature of relationship and Related Party for Subsidiary Companies. Includes metrics like Kotak Mahindra Prime Limited, Kotak Securities Limited, and Kotak Mahindra Capital Company Limited.

### B. Other Related Parties:

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, 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, Renato Realty Private Limited, Pine Tree Estates Private Limited, Meluha Developers Private Limited, Xanadu 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. Prabhant Gupta (upto 31<sup>st</sup> December 2023), Ms. Jyoti Bangs (upto 31<sup>st</sup> December 2023), Ms. Saetha Krishnan, Ms. Lailitha Mohan, Ms. Shrutli 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. Diya 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).

### Items / Related Party

Table showing Items / Related Party for 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023. Includes metrics like Liabilities, Deposits, Borrowings, Interest Payable, Other Liabilities, Assets, Advances, Investments-Gross, Diminution on Investments, Commission Receivable, Others Receivable, Non Funded Commitments, Bank Guarantees, Swaps/ Forward contracts, Expenses, Salaries/fees (Include ESOP), Interest Expense, Expenses for services received, Income, Dividend, Interest Income, Income from services rendered, Other Transactions, Sale of Investment, Purchase of Investment, Loan Disbursed During the Year, Loan Repaid During the Year, Assignment Portfolio Buyout During the year, Dividend paid, Reimbursement to companies, Reimbursement from companies, Purchase of Fixed assets, Sale of Fixed assets, Swaps/ Forward contracts, Guarantees/ Lines of credit, I. Liabilities: Other liabilities, Other Payable.



# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

(₹ in crore)						
Items / Related Party	Subsidiary Companies	Associates / Others	Key Management Personnel	Enterprise over which KMP have control / significant influence	Relatives of Key Management Personnel	Total
BSS Microfinance Limited	77.86	-	-	-	-	77.86
Kotak Securities Limited	(61.31)	(-)	(-)	(-)	(-)	(61.31)
Kotak Mahindra Capital Company Limited	1.95	(-)	(-)	(-)	(-)	1.95
Kotak Mahindra (UK) Limited	(3.92)	(-)	(-)	(-)	(-)	(3.92)
Sonata Finance Private Limited	-	-	-	-	-	-
Kotak Mahindra General Insurance Limited	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Others	0.89	-	-	-	-	0.89
Kotak Mahindra Prime Limited	(3.62)	(-)	(-)	(-)	(-)	(3.62)
Kotak Mahindra General Insurance Limited	3.55	-	-	-	-	3.55
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Prime Limited	1.42	-	-	-	-	1.42
Others	(0.37)	(-)	(-)	(-)	(-)	(0.37)
Others	1.48	-	-	-	-	1.48
Others	(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
Kotak Mahindra Prime Limited	(1,557.20)	(-)	(-)	(-)	(-)	(1,557.20)
Others	146.37	-	-	-	-	146.37
Others	(654.46)	(-)	(-)	(-)	(-)	(654.46)
BSS Microfinance Private Limited	138.56	-	-	-	-	138.56
Others	(138.56)	(-)	(-)	(-)	(-)	(138.56)
Kotak Mahindra Investments Limited	488.03	-	-	-	-	488.03
Others	(587.33)	(-)	(-)	(-)	(-)	(587.33)
Kotak Mahindra General Insurance Limited	875.00	-	-	-	-	875.00
Kotak Infrastructure Debt Fund Limited	(680.00)	(-)	(-)	(-)	(-)	(680.00)
Others	91.49	-	-	-	-	91.49
Sonata Finance Private Limited	(324.79)	(-)	(-)	(-)	(-)	(324.79)
Others	537.12	-	-	-	-	537.12
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Alternate Assets Managers Limited	228.24	-	-	-	-	228.24
Others	(228.24)	(-)	(-)	(-)	(-)	(228.24)
Others	172.90	-	-	-	-	172.90
Others	(171.90)	(-)	(-)	(#)	(-)	(171.90)
<b>Diminution on investments</b>						
Business Standard Private Ltd.	-	-	-	-	-	#
Others	(-)	(-)	(-)	(#)	(-)	(#)
<b>Commission Receivable</b>						
Kotak Mahindra Life Insurance Company Limited	176.85	-	-	-	-	176.85
Others	(98.03)	(-)	(-)	(-)	(-)	(98.03)
Kotak Mahindra General Insurance Limited	13.04	-	-	-	-	13.04
Others	(4.60)	(-)	(-)	(-)	(-)	(4.60)
<b>Others Receivable</b>						
Kotak Mahindra Prime Limited	16.32	-	-	-	-	16.32
Others	(30.59)	(-)	(-)	(-)	(-)	(30.59)
Kotak Securities Limited	13.74	-	-	-	-	13.74
Others	(14.51)	(-)	(-)	(-)	(-)	(14.51)
Kotak Alternate Assets Managers Limited	34.86	-	-	-	-	34.86
Others	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Kotak Mahindra Investments Limited	6.71	-	-	-	-	6.71
Others	(7.69)	(-)	(-)	(-)	(-)	(7.69)
Kotak Mahindra Life Insurance Company Limited	23.87	-	-	-	-	23.87
Others	(20.56)	(-)	(-)	(-)	(-)	(20.56)
Kotak Infrastructure Debt Fund Limited	0.41	-	-	-	-	0.41
BSS Microfinance Limited	(9.54)	(-)	(-)	(-)	(-)	(9.54)
Others	9.63	-	-	-	-	9.63
Sonata Finance Private Limited	(19.38)	(-)	(-)	(-)	(-)	(19.38)
Others	2.62	-	-	-	-	2.62
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Asset Management Company Limited	5.83	-	-	-	-	5.83
Others	(3.63)	(-)	(-)	(-)	(-)	(3.63)
Kotak Mahindra General Insurance Limited	9.50	-	-	-	-	9.50
Others	(2.26)	(-)	(-)	(-)	(-)	(2.26)
Phoenix ARC Private Limited	-	0.23	-	-	-	0.23
Others	(-)	(0.33)	(-)	(-)	(-)	(0.33)
Kotak Mahindra Capital Company Limited	6.59	-	-	-	-	6.59
Others	(1.34)	(-)	(-)	(-)	(-)	(1.34)
Others	2.60	-	-	-	-	2.60
Others	(0.10)	(0.06)	(-)	(-)	(0.03)	(0.19)
<b>Non Funded Commitments</b>						
<b>Bank Guarantees</b>						
Kotak Mahindra Life Insurance Company Limited	0.30	-	-	-	-	0.30
Others	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Securities Limited	0.02	-	-	-	-	0.02
Others	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Aero Agencies Private Limited	-	-	1.00	-	-	1.00
Others	(-)	(-)	(1.00)	(-)	(-)	(1.00)
Kotak Mahindra Prime Limited	0.25	-	-	-	-	0.25
Others	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Alternate Asset Managers Limited	0.50	-	-	-	-	0.50
Others	(0.05)	(-)	(-)	(0.13)	(-)	(0.18)
<b>Swaps / Forward contracts</b>						
Kotak Mahindra Prime Limited	100.00	-	-	-	-	100.00
Others	(234.83)	(-)	(-)	(-)	(-)	(234.83)
Kotak Mahindra Investments Limited	100.00	-	-	-	-	100.00
Others	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Others	-	-	-	-	-	(1.65)
<b>III. Expenses:</b>						
<b>Salaries/ fees (Include ESOP/SARs)</b>						
Mr. Uday Kotak	-	-	0.40	-	-	0.40
Others	(-)	(-)	(#)	(-)	(-)	(#)
Mr. Gaurang Shah	-	-	-	-	-	-
Others	(-)	(-)	(5.27)	(-)	(-)	(5.27)
Mr. KVS Manian	-	-	6.72	-	-	6.72
Others	(-)	(-)	(7.82)	(-)	(-)	(7.82)
Mr. Dipak Gupta	-	-	8.37	-	-	8.37
Others	(-)	(-)	(8.22)	(-)	(-)	(8.22)
Ms. Shanti Ekambaram	-	-	6.73	-	-	6.73
Others	(-)	(-)	(2.35)	(-)	(-)	(2.35)
Mr. Ashok Vaswani	-	-	1.83	-	-	1.83
Others	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Jay Kotak	-	-	-	-	-	0.57
Others	(-)	(-)	(-)	(-)	(-)	(0.45)
<b>Expenses for services received</b>						
Kotak Securities Limited	0.82	-	-	-	-	0.82
Others	(0.78)	(-)	(-)	(-)	(-)	(0.78)
Kotak Mahindra Life Insurance Company Limited	15.72	-	-	-	-	15.72
Others	(21.39)	(-)	(-)	(-)	(-)	(21.39)
Kotak Mahindra General Insurance Limited	3.18	-	-	-	-	3.18
Others	(3.49)	(-)	(-)	(-)	(-)	(3.49)
Kotak Mahindra Prime Limited	1.35	-	-	-	-	1.35
Others	(2.74)	(-)	(-)	(-)	(-)	(2.74)
Aero Agencies Private Limited	-	-	2.64	-	-	2.64
Others	(-)	(-)	(0.68)	(-)	(-)	(0.68)
Business Standard Private Limited	-	-	0.05	-	-	0.05
Others	(-)	(-)	(0.08)	(-)	(-)	(0.08)
BSS Microfinance Limited	895.03	-	-	-	-	895.03
Others	(523.01)	(-)	(-)	(-)	(-)	(523.01)
Sonata Finance Private Limited	2.42	-	-	-	-	2.42
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra (UK) Limited	0.09	-	-	-	-	0.09
Others	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Others	1.11	-	-	-	-	1.11
Others	(#)	(-)	(-)	(-)	(-)	(#)
<b>IV. Income:</b>						
<b>Dividend</b>						
Kotak Mahindra Capital Company Limited	34.36	-	-	-	-	34.36
Others	(34.36)	(-)	(-)	(-)	(-)	(34.36)
Kotak Mahindra Life Insurance Company Limited	117.88	-	-	-	-	117.88
Others	(88.41)	(-)	(-)	(-)	(-)	(88.41)
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
Others	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Kotak Mahindra Asset Management Company Limited	111.75	-	-	-	-	111.75
Others	(74.50)	(-)	(-)	(-)	(-)	(74.50)
Kotak Mahindra Prime Limited	8.91	-	-	-	-	8.91
Others	(8.91)	(-)	(-)	(-)	(-)	(8.91)
Kotak Securities Limited	36.00	-	-	-	-	36.00
Others	(36.00)	(-)	(-)	(-)	(-)	(36.00)
<b>Income from services rendered</b>						
Kotak Mahindra Life Insurance Company Limited	728.63	-	-	-	-	728.63
Others	(407.35)	(-)	(-)	(-)	(-)	(407.35)
Kotak Mahindra General Insurance Company Limited	82.13	-	-	-	-	82.13
Others	(35.79)	(-)	(-)	(-)	(-)	(35.79)
Kotak Securities Limited	217.85	-	-	-	-	217.85
Others	(166.32)	(-)	(-)	(-)	(-)	(166.32)
Kotak Mahindra Capital Company Limited	15.05	-	-	-	-	15.05
Others	(8.93)	(-)	(-)	(-)	(-)	(8.93)
Kotak Mahindra Asset Management Company Limited	19.68	-	-	-	-	19.68
Others	(16.51)	(-)	(-)	(-)	(-)	(16.51)
Kotak Mahindra Prime Limited	37.46	-	-	-	-	37.46
Others	(37.09)	(-)	(-)	(-)	(-)	(37.09)
Kotak Alternate Assets Managers Limited	65.28	-	-	-	-	65.28
Others	(41.83)	(-)	(-)	(-)	(-)	(41.83)
BSS Microfinance Limited	26.73	-	-	-	-	26.73
Others	(#)	(-)	(-)	(-)	(-)	(#)
Others	15.22	0.06	#	0.04	#	15.32
Others	(10.95)	(0.11)	(0.01)	(0.04)	(0.01)	(11.12)

(₹ in crore)						
Items / Related Party	Subsidiary Companies	Associates / Others	Key Management Personnel	Enterprise over which KMP have control / significant influence	Relatives of Key Management Personnel	Total
<b>V. Other Transactions:</b>						
<b>Sale of Investment</b>						
Kotak Infrastructure Debt Fund Limited	150.00	-	-	-	-	150.00
Others	(250.70)	(-)	(-)	(-)	(-)	(250.70)
Kotak Mahindra Prime Limited	205.00	-	-	-	-	205.00
Others	(35.00)	(-)	(-)	(-)	(-)	(35.00)
Kotak Mahindra Investments Limited	100.00	-	-	-	-	100.00
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra (UK) Limited	675.44	-	-	-	-	675.44
Others	(66.68)	(-)	(-)	(-)	(-)	(66.68)
Kotak Securities Limited	54.31	-	-	-	-	54.31
Others	(24.88)	(-)	(-)	(-)	(-)	(24.88)
Kotak Mahindra Life Insurance Company Limited	75.56	-	-	-	-	75.56
Others	(-)	(-)	(-)	(-)	(-)	(-)
<b>Purchase of Investments</b>						
Kotak Mahindra (UK) Limited	895.25	-	-	-	-	895.25
Others	(257.21)	(-)	(-)	(-)	(-)	(257.21)
Kotak Infrastructure Debt Fund Limited	60.00	-	-	-	-	60.00
Others	(360.00)	(-)	(-)	(-)	(-)	(360.00)
Kotak Mahindra Prime Limited	555.32	-	-	-	-	555.32
Others	(319.61)	(-)	(-)	(-)	(-)	(319.61)
Kotak Mahindra Investments Limited	25.00	-	-	-	-	25.00
Others	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Limited	195.00	-	-	-	-	195.00
Others	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Karma Foundation	1.00	-	-	-	-	1.00
Others	(-)	(-)	(-)	(-)	(-)	(-)
<b>Loan Disbursed During the Year</b>						
Kotak Mahindra Prime Limited	450.02	-	-	-	-	450.02
Others	(800.02)	(-)	(-)	(-)	(-)	(800.02)
Kotak Securities Limited	956.56	-	-			



# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  
Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

## Experience adjustments

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

Table with columns: Gratuity, Year ended 31st March, 2024, 2023, 2022, 2021, 2020. Rows: Defined benefit obligation, Plan assets, Surplus / (deficit), Experience adjustments on plan liabilities, Experience adjustments on plan assets.

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:

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Change in benefit obligations, Liability at the beginning of the year, Transfer of liabilities funded during the year, Current Service cost, Interest cost, Actuarial (gain) / loss on obligations, Past Service cost, Benefits paid, Liability at the end of the year, Change in plan assets, Fair value of plan assets at the beginning of the year, Expected return on plan assets, Actuarial Gain / (loss), Benefits paid, Employer contributions, Fair value of plan assets as at the end of the year.

## Reconciliation of present value of the obligation and the fair value of the plan Assets

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Fair value of plan assets as at the end of the year, Liability at the end of the year, Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities", Expenses recognised for the year, Current service cost, Interest cost, Expected return on plan assets, Actuarial (gain) / loss, Effect of the limit in Para 59(b), Net pension expense recognized in Schedule 16.1, Actual return on plan assets.

## Reconciliation of the Liability recognised in the Balance Sheet

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Net (Asset) / Liability at the beginning of the year, Expense recognized, Employer contributions, Effect of the limit in Para 59(b), Net (Asset) / Liability included in "Others" under "Other Assets" / "Other Liabilities".

## 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.

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Discount rate, Salary escalation rate, Expected rate of return on plan assets, Inflation.

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:

Table with columns: Pension, Year ended 31st March, 2024, 2023, 2022, 2021, 2020. Rows: Defined benefit obligation, Plan assets, Surplus / (deficit), Experience adjustments on plan liabilities, Experience adjustments on plan assets.

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:

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Total actuarial liability, Assumptions: Discount rate, Salary escalation rate.

## v. Long Service Award

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

Table with columns: Particulars, As at 31st March, 2024, 31st March, 2023. Rows: Total actuarial liability, Assumptions: Discount rate.

## 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:

Table with columns: Particulars, Year Ended 31st March, 2024, 31st March, 2023. Rows: Provisions for Investments (including NPI)\*\*, Provision towards NPA, Provision towards Unhedged Foreign Currency Exposure, Provision towards Standard Assets, General Provision - Covid-19, Deferment Cases, Provision for country risk exposure, Provision for Current Tax, Provision for Deferred Tax, Other Provision and Contingencies, Total Provisions and Contingencies.

\*Provision in respect of security receipts of ₹ 64.91 crore for the year ended 31st 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 19th December, 2023 and 27th March, 2024.

## 11. The Bank held an aggregate COVID-19 related provision of ₹ 387.45 crore as at 31st 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 31st March 2024 and continues to hold provision of ₹ 262.55 crore as at 31st 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)

Table with columns: Details of CSR Expenditure, 31st March, 2024, 31st March, 2023. Rows: Amount of expenditure incurred\*, Contribution to Kotak Education Foundation, Contribution to Other Initiatives, Accrual towards unspent obligations (Shortfall) in relation to: Ongoing project, Other than ongoing project, Total, Amount required to be spent as per Section 135 of the Act, Amount of cumulative unspent at the end of the year, Amount spent during the year on: (i) Construction / acquisition of any asset, (ii) On purposes other than (i) above.

\*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.

† 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.

^ 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:

Table with columns: Financial Year, Balance as at 1st April, Amount required to be spent during year, Amount spent during year, Balance as at 31st March. Rows: FY 23-24, FY 22-23, FY 21-22, FY 22-23.

\*The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2023-24 in April 2023 and includes refund of ₹ 2.96 crore received in April 2023.

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

\*The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY 2023-24 on 29th April 2024. Also includes an amount of ₹ 6.27 crore which was refunded by implementing agencies in April 2024.

^ 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:

Table with columns: Balance unspent as at 1st April 2023, Amount deposited in Specific Fund of Schedule VI of the Act within 6 months, Amount required to be spent during the year, Amount spent during the year, Balance unspent as at 31st March 2024. Rows: Nil.

Notes: 1. The amount required to be spent is Board approved CSR Project Budget for Other than Ongoing (Annual) CSR Projects for FY2023-24.

2. 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:

Table with columns: Balance excess spent as at 1st April 2023, Amount required to be spent during the year, Amount spent during year, Unspent/ unutilised CSR amount transferred to Unspent CSR Account FY 2023-24, Total, Balance excess spent as at 31st March 2024. Rows: 1.42, 230.24, 119.73\*, 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

a) Lower Tier II Bonds outstanding as at 31st March, 2024 and as at 31st March 2023 is ₹ Nil.  
b) Upper Tier II Bonds outstanding as at 31st March, 2024 and as at 31st March 2023 is ₹ Nil.  
c) Interest Expanded-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

Table with columns: Particulars, Year Ended 31st March, 2024, 31st March, 2023. Rows: Statutory Audit fees, Other Matters, Total.

## 15. Description of Contingent Liabilities:

Table with columns: Sr., Contingent Liability\*, Brief Description. Rows: 1. Claims not acknowledged as debts, 2. Liability on account of outstanding forward exchange contracts, 3. Guarantees on behalf of constituents, 4. Acceptances, endorsements and other obligations, 5. Other items for which the Bank is contingently liable.

\*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:

Table with columns: Sr. No., Particulars, As at 31st March, 2024, 31st March, 2023. Rows: 1. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end, 2. Interest due to suppliers registered under the MSMED Act and remaining unpaid on principal amount due to suppliers as at year end, 3. Principal amounts paid to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year, 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.

Table with columns: Sr. No., Particulars, Nil, Nil. Rows: 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, 6. Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made, 7. Further interest remaining due and payable for earlier years, 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).

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. 28th 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 Crores ("Transaction"). Transaction would be subject to fulfillment 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 (subject 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 has 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 trial 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 24th 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 31st 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 KKC & Associates LLP Chartered Accountants (formerly Khimji Kunverji & Co LLP) Firm Registration No: 105146W/100621

Russell I Parera Partner Membership No. 042190 Mumbai, 4th May, 2024

Gautam Shah Partner Membership No. 117348 Mumbai, 4th May, 2024

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

Russell I Parera Partner Membership No. 042190 Mumbai, 4th May, 2024

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Gautam Shah Partner Membership No. 117348 Mumbai, 4th May, 2024

The identification of NPAs is also affected by factors like stress and liquidity concerns in certain sectors.

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.

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.

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. 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 ('CIRILC'). With respect to provisions recognised towards NPAs, we re-performed 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.

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

Key Audit Matter

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.

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.

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.

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 has 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 trial 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 24th 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 31st March 2024.

22. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

## For on behalf of the Board of Directors

C S Rajan Chairman DIN: 00126063

Ashok Vaswani Managing Director and Chief Executive Officer DIN: 10227650

Shanti Ekambaram Deputy Managing Director DIN: 00004889

Uday Khanna Director DIN : 00079129

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

Avan Doornasia Senior Executive Vice President and Company Secretary FCS. No.: 3430

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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

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

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

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.

Our audit procedures included the following:

- 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:
  - Approval of new lending facilities in accordance with the Bank's credit policies.
  - Performance of annual review/renewal of loan accounts.
  - Monitoring of credit quality which amongst other things includes the monitoring of overdue loan accounts, drawing power limit and pending security creation; and
  - Identification and classification of NPAs in accordance with IRAC norms, other regulatory guidelines issued by the RBI and consideration of qualitative aspects.





# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  
Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

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:

- 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;
- The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- 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:

- 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;
- 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);
- 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;
- 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;

- 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;
- 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);
- 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
- 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:
  - 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;
  - 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;
  - 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;
  - 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 of the Ultimate Beneficiaries;
    - 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
    - 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.
  - The dividend declared and paid during the year ended 31 March 2024 by the Bank is in compliance with Section 123 of the Act.
  - 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.

<b>For Price Waterhouse LLP</b> Chartered Accountants Firm Registration Number: 301112E/ E300264	<b>For KKC &amp; Associates LLP</b> Chartered Accountants (formerly Khimji Kunverji & Co LLP) Firm Registration Number: 105146W/W100621
<b>Russell I Parera</b> Partner Membership Number: 042190 UDIN: 24042190BKFFOQ2541	<b>Gautam Shah</b> Partner Membership Number: 117348 UDIN: 24117348BKBZWK9832
Place: Mumbai Date: 04 May 2024	Place: Mumbai Date: 04 May 2024

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.

<b>For Price Waterhouse LLP</b> Chartered Accountants Firm Registration Number: 301112E/ E300264	<b>For KKC &amp; Associates LLP</b> Chartered Accountants (formerly Khimji Kunverji & Co LLP) Firm Registration Number: 105146W/W100621
<b>Russell I Parera</b> Partner Membership Number: 042190 UDIN: 24042190BKFFOQ2541	<b>Gautam Shah</b> Partner Membership Number: 117348 UDIN: 24117348BKBZWK9832
Place: Mumbai Date: 04 May 2024	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.

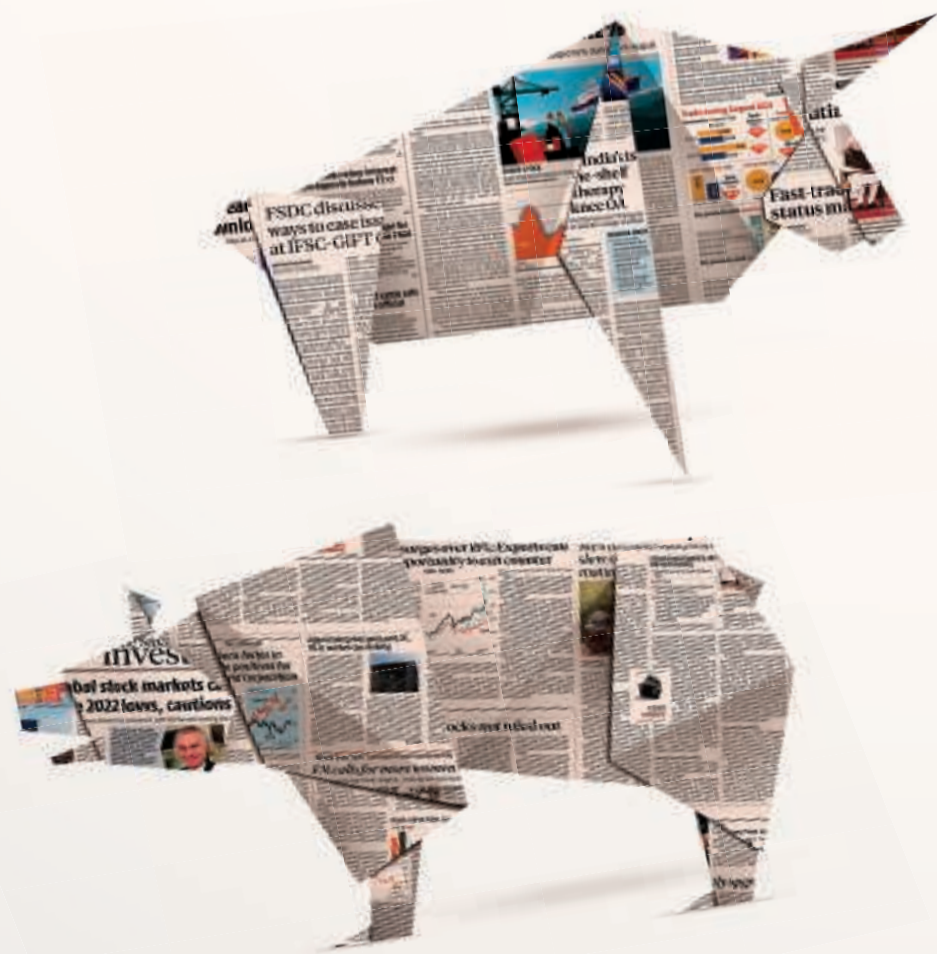
**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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.

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**INNOVASSYNTH INVESTMENTS LIMITED**  
Regd. Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli-410203, Maharashtra, India.  
CIN: L67120MH2008PLC178923  
Tel.: +91-2192-260224. Fax: +91-2192-263628.  
Website: [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in)  
E-mail: [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in)

**NOTICE** is hereby given that the 16<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Friday, July 12, 2024, at 11:00 a.m. (IST), through Video Conferencing/Other Audio Visual Means ("VC/OAVM") in compliance with General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India ("SEBI") and other circulars issued from time to time (collectively referred to as "the Circulars") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), without the physical presence of the Members at a common venue to transact the business as set out in the notice of the AGM. The deemed venue for the 16<sup>th</sup> AGM shall be the Registered Office of the Company.

The Notice of the AGM along with the Annual Report for FY 2023-24 has been sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circular and SEBI Circular.

Shareholders holding shares in dematerialized mode are requested to register their email addresses and mobile numbers with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish their email addresses and mobile numbers with the Company's Registrar and Share Transfer Agent, M/s Satellite Corporate Services Private Limited. The Notice of 16<sup>th</sup> AGM and Annual Report for FY 2023-24 will also be made available on the Company's website, [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) on the website of the BSE Ltd at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The Company is providing its members with the facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means ("e-voting"). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("Remote e-voting"). The Company has engaged the services of the National Securities Depository Limited ("NSDL") as the Agency to provide an e-voting facility. The Notice of the meeting and format of communication for e-voting is available on the website of the Company [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The remote e-voting facility shall commence on Tuesday, July 9, 2024, from 09:00 a.m. and end on Thursday, July 11, 2024, at 5:00 p.m. A person, whose name appears in the Register of Members / Beneficial Owners as on the cut-off date, i.e., Friday, July 5, 2024, shall be entitled to avail of the facility of remote e-voting/voting at the Meeting.

The result of e-voting shall be announced after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for information on the Members, besides being communicated to the Stock Exchanges.

Members may further note that SEBI vide circular dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing various service requests. Further, SEBI vide notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.

**BOOK CLOSURE:**  
**NOTICE IS ALSO HEREBY GIVEN** pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, July 6, 2024, to Friday, July 12, 2024 (both days inclusive), for the purpose of AGM.

Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as of the cut-off date i.e., July 5, 2024, may obtain the User ID and password inter alia by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). The detailed procedure for obtaining a User ID and password is also provided in the Notice of the meeting which is available on the Company's website and NSDL's website.

For any query or information, you may contact the NSDL helpdesk by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call at: 022 - 4886 7000.

For, Innovassynth Investments Limited  
Sameer Pakhali  
Chief Financial Officer & Company Secretary  
Date: 20<sup>th</sup> June 2024 ACS 55746

**BOI**  
Bank of India  
**NAGAON BRANCH**  
AT HATALE POST NAGAON TALUKA RAIGAD DIST RAIGAD

RefNo: NAG/SP/2024-25/ Date: 31/05/2024

**Registered Post A/D**

To,  
1. Mr. Dinesh Shewakram Ahuja-Flat No 505, B wing, Alankar CHS Ltd, Section 25, Behind Venu Talkies, Ullhasnagar 421004 Dist-Thane  
2. Mrs. Honey Dinesh Ahuja-Flat No 505, B wing, Alankar CHS Ltd, Section 25, Behind Venu Talkies, Ullhasnagar 421004 Dist-Thane  
3. Arjun Tanaji Kale- At Near Rajmaala Bus Stop Po Thal Tal Alibag-402207

Sir,  
NOTICE U/S 13(2) OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT 2002

At the request made by you, the Bank has granted to you various credit facilities aggregating to an amount of Rs. 17,60,000.00/- . We hereunder details of various credit facilities granted by us and the outstanding dues thereunder as on the date of this notice:-

Sr No	Nature Of Facility	Sanctioned Amount	Outstanding Dues	Total dues
1	Star Home Loan 121075110000041	Rs. 17,60,000/-	Rs. 14,63,356.84 + Rs. 22256.34 (Uncharged Interest from 30.03.2024 to 31.05.2024)	Rs. 14,85,613.18

2. The aforesaid credit facilities granted by the Bank are secured by the following assets/securities (particulars of properties/assets charged to Bank):-  
(a) "EQM of properties as Flat no.302, 3rd floor in building known as "Shivalay Residency" Survey No. 50 Hissa No. 23 at Varsoli, Tal-Alibag, Dist-Raigad"  
North: Side Marginal Road East: Passage, Duct & Flat No. 301  
South: Flat No. 303 West: Side Marginal

3. As you have defaulted in repayment of your dues to the Bank under the said credit facilities, we have classified your account as Non-Performing Asset with effect from 29.04.2024 in accordance with the directors/guidelines issued by the Reserve Bank of India.

4. For the reasons stated above, we hereby give you notice under Section 13(2) of the above noted Act and call upon you to discharge in full your liabilities by paying to the Bank sum of Rs. 14,85,613.18/- (contractual dues up to the date of notice) with further interest thereon @8.80% p.a. compounded with Monthly rests from 01.06.2024 and all costs, charges and expenses incurred by the Bank, till repayment by you within a period of 60 days from the date of this notice, failing which please note that we will entirely at your risks as to costs and consequences exercise the powers vested with the Bank under Section 13 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, against the secured assets mentioned above.

5. While we call upon you to discharge your liability as above by payment of the entire dues to the Bank together with applicable interest, all costs, charges and expenses incurred by the Bank till repayment and redeem the secured assets, within the period mentioned above, please take important note that as per section 13(B) of the SARFAESI Act, the right of redemption of secured assets will be available to you only till the date of publication of notice for public auction or inviting quotations or tender from public or private treaty for transfer by way of lease, assignment or sale of the secured assets.

6. The amounts realized from exercising the powers mentioned above, will firstly be applied in payment of all costs, charges and expenses which are incurred by us and/or any expenses incidental thereto, and secondly in discharge of the Bank's dues as mentioned above with contractual interest from the date of this notice till the date of actual realization and the residue of the money, if any, after the Bank's entire dues (including under any of your other dues to the Bank whether as borrower or guarantor) are fully recovered, shall be paid to you.

7. If the said dues are not fully recovered from the proceeds realized in the course of exercise of the said powers against the secured assets, we reserve our right to proceed against you and your other assets including by filing legal/recovery actions before Debts Recovery Tribunal/Courts, for recovery of the balance amount due along with all costs etc. incidental thereto from you.

8. Please take note that as per Sub-section (13) of the aforesaid Act, after receipt of this notice, you are restrained from transferring or creating any encumbrances on the aforesaid secured assets whether by way of sale, lease, license, gift, mortgage or otherwise.

9. The undersigned is a duly authorized officer of the Bank to issue this notice and exercise powers under Section 13 of aforesaid Act.

10. Needless to mention that this notice is addressed to you without prejudice to any other right or remedy available to the Bank.

**NAME: SHIBA SHANKAR BEHERA**  
**DESIGNATION: Chief Manager**  
**AUTHORISED OFFICER**

**Place: ALIBAG**  
**Date: 31/05/2024**

cc: (Copy of this notice to be endorsed to the guarantor(s) who has not created security interest over his/her/their assets/property to secure the dues)

Sir/Madam,  
To  
1. Arjun Tanaji Kale- At Near Rajmaala Bus Stop Po Thal Tal Alibag-402207

1. You are aware that the Bank has granted various credit facilities aggregating to an amount of Rs.17,60,000.00/- to Mr. Dinesh Shewakram Ahuja (principal debtor) and Smt Honey Dinesh Ahuja (Co-Borrower), for which you stood as guarantor and executed letter of guarantees dated 02/02/2018 guaranteeing the due repayment of the said amount by the Principal Debtor and all interest, cost, charges and expenses due and accruing thereon. The details of various credit facilities granted by the Bank and the amounts outstanding dues thereunder as on the date of notice are as under:

Sr No	Nature Of Facility	Sanctioned Amount	Outstanding Dues	Total dues
1	Star Home Loan 121075110000041	Rs. 17,60,000/-	Rs. 14,63,356.84 + Rs. 22256.34 (Uncharged Interest from 30.03.2024 to 31.05.2024)	Rs. 14,85,613.18

2. As the principal debtor has defaulted in repayment of his/her/their/its liabilities, we have classified his/her/their/its dues as Non-Performing Asset on 29.04.2024 in accordance with the directors or guidelines issued by the Reserve Bank of India.

3. As stated herein above, in view of the default committed by the principal debtor, you as the guarantor became liable jointly and severally for the said debt.

4. For the reasons stated above, we invoke your guarantee and hereby call upon you to discharge in full your liabilities by paying to the Bank Rs. 14,85,613.18/- (contractual dues up to the date of notice) with interest @8.80% p.a. compounded with monthly rests within 60 days of receipt of this notice failing which we will be constrained to initiate legal action against you including by filing appropriate legal proceedings against you before Debts Recovery Tribunal/Court for recovery of the said amounts with applicable interest from the date of the notice till the date of actual realisation along with all costs, expenses etc. incidental thereto.

Yours faithfully,  
**For Bank of India**  
**NAME: SHIBA SHANKAR BEHERA**  
**DESIGNATION: Chief Manager**  
**AUTHORISED OFFICER**

**Place: Alibag**  
**Date: 31/05/2024**

**KOTAK MAHINDRA BANK LIMITED**

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C 27, G Block, Bandra Kuria Complex, Bandra (East), Mumbai - 400 051

Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: Kotak@Bank.Secretarial@kotak.com

**STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2024**

	Schedule	₹ in thousands	
		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.

**STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024**

	Schedule	₹ in thousands	
		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)		<b>137,815,824</b>	<b>109,392,951</b>
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		1,250,000	1,150,000
u/s 36(1)(viii) of Income Tax Act, 1961		8,316,321	—
Transfer to Investment Reserve Account		12,000,000	5,253,150
Transfer to Investment Fluctuation Reserve Account		5,000,000	—
Transfer to Capital Redemption Reserve		3,366,210	2,589,206
Dividend		451,030,223	377,600,930
Balance carried over to Balance Sheet		—	—
<b>Total</b>		<b>515,416,754</b>	<b>413,951,486</b>
<b>V. EARNINGS PER SHARE (Face value of ₹ 5/-)</b>			
Basic		69.15	54.89
Diluted (Refer Note 1 - Schedule 18 B)		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.

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024**

	Schedule	₹ 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>Total</b>		<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>Total</b>		<b>(2,793,691)</b>	<b>(207,224,488)</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>Total</b>		<b>20,215,038</b>	<b>4,908,644</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024 (Continued)**

	Schedule	₹ 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)
Redemption 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) (b))		11,733	11,733
Balance with Banks in India in Current Account (As per Sch 7 (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	79,689,813
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	—
<b>Balance with Banks Outside India:</b>			
(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>

**SCHEDULES FORMING PART OF STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2024**

	Schedule	₹ in thousands	
		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>SCHEDULE 1 - CAPITAL</b>			
<b>Authorised Capital</b>			
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)		—	—
2,800,000,000 Equity Shares of ₹ 5/- each		1,000,000,000	1,000,000,000
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>Total</b>		<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 (31 <sup>st</sup> March, 2023)		9,939,604	9,932,783
Equity Shares of ₹ 5/- each fully paid-up Nil (31 <sup>st</sup> March, 2023; 1,000,000,000) (31 <sup>st</sup> March, 2023)		—	—
Perpetual Non Cumulative Preference Shares of ₹ 5/- each fully paid-up Nil		5,000,000	5,000,000
<b>Total</b>		<b>9,939,604</b>	<b>14,932,783</b>
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>			
<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		8,316,321	—
Add: Transfer from (to) Profit and Loss Account		—	—
<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>
<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 (I to XII)</b>		<b>956,455,026</b>	<b>819,666,658</b>
<b>SCHEDULE 3 - DEPOSITS</b>			
<b>A. I. Demand Deposits</b>			
i. From Banks		3,068,958	2,435,164
ii. From Other		749,013,968	697,867,219
<b>Total</b>		<b>750,082,926</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 Other		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		3,612,650,670	
<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>
<b>SCHEDULE 4 - BORROWINGS</b>			
<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>	
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>			
I. Bills Payable		36,051,339	30,880,206
II. Interest Accrued		22,336,906	11,966,131
III. Provision for tax (net of advance tax and tax deducted at source)		—	2,378,818
IV. Standard Asset provision		16,256,473	15,172,925
V. Others (including provisions) (Refer Note 45 - Schedule 18 A and Note 11 - Schedule 18 B)		186,519,764	137,900,984
<b>Total</b>		<b>263,164,482</b>	<b>198,299,064</b>
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>			
I. Cash in hand (including foreign currency notes)		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>	
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>			
<b>I. In India</b>			
(a) In Current Accounts		3,266,665	3,758,533



# KOTAK MAHINDRA BANK LIMITED

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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 accounted for each 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 treated 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 Bank's 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 (ESOS) 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 ESOS 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 employees", 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 is "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 (FEDA) 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 originates 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: 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". II Branch Banking Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products. III Credit Cards Receivables / loans relating to credit card business.
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.
Other Retail Banking	Includes (other than covered under Digital Banking above): 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". II Branch Banking Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products. III Credit Cards Receivables / loans relating to credit card business.
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:

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>a</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 <sup>a</sup>	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

<sup>a</sup>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).  
<sup>b</sup>The Bank has redeemed perpetual non-cumulative preference share capital ("PNCPS") during the year.

**2. Composition of Investment Portfolio**

As at	Investments in India					Total Investments in India
	Government Securities <sup>a</sup>	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	
<b>Held to Maturity</b>						
Gross	28,517.74	-	-	3,902.02	-	32,419.76
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-
<b>Net</b>	28,517.74	-	-	3,902.02	-	32,419.76
<b>Available for Sale</b>						
Gross	77,485.52	-	1,267.83	14,524.76	-	93,278.09
Less: Provision for depreciation and NPI	294.24	-	43.25	33.34	-	370.83
<b>Net</b>	77,191.28	-	1,224.58	14,491.42	-	92,907.28
<b>Held for Trading</b>						
Gross	7,686.05	-	-	2,357.94	-	10,043.99
Less: Provision for depreciation and NPI	-	-	-	-	-	-
<b>Net</b>	7,686.05	-	-	2,357.94	-	10,043.99
<b>Total Investments</b>	113,699.31	-	1,267.83	16,882.70	3,902.02	135,651.86
Less: Provisions for depreciation and NPI	294.24	-	43.25	33.34	-	370.83
<b>Net</b>	113,395.07	-	1,224.58	16,849.36	3,902.02	135,380.03

As at	Investments outside India				Total investments
	Government securities (including local authorities)	Subsidiaries and / or joint ventures	Others	Total investments outside India	
<b>Held to Maturity</b>					
Gross	-	-	38.32	-	38.32
Less: Provision for non-performing investments (NPI)	-	-	-	-	-
<b>Net</b>	-	-	38.32	-	38.32
<b>Available for Sale</b>					
Gross	277.78	-	1,421.63	1,699.41	3,400.82
Less: Provision for depreciation and NPI	-	-	18.84	18.84	37.68
<b>Net</b>	277.78	-	1,402.79	1,680.57	3,366.14
<b>Held for Trading</b>					
Gross	-	-	-	-	22,665.96
Less: Provision for depreciation and NPI	-	-	-	-	-
<b>Net</b>	-	-	-	-	22,665.96
<b>Total Investments</b>	277.78	38.32	1,421.63	1,737.73	55,977.06
Less: Provision for depreciation and NPI	-	-	18.84	18.84	37.68
<b>Net</b>	277.78	38.32	1,402.79	1,718.89	55,939.38

<sup>a</sup>Includes securities with face Value of ₹ 4,327.45 crore pledged and encumbered for availing of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

As at	Investments in India					Total Investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	
<b>Held to Maturity</b>						
Gross	32,181.79	-	-	3,179.02	-	35,360.81
Less: Provision for non-performing investments (NPI)	-	-	-	10.13	-	10.13
<b>Net</b>	32,181.79	-	-	3,168.89	-	35,350.68

Available for Sale	Government securities	Subsidiaries and / or joint ventures	Others	Total investments outside India	Total investments	
Gross	57,266.95	-	1,272.83	18,848.68	6,877.86	84,266.32
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	468.23	1,967.47
<b>Net</b>	56,027.87	-	1,230.22	18,630.13	6,409.63	82,297.85
<b>Held for Trading</b>						
Gross	1,496.40	-	-	339.65	-	699.65
Less: Provision for depreciation and NPI	-	-	-	-	-	-
<b>Net</b>	1,496.40	-	-	339.65	-	699.65
<b>Total Investments</b>	90,945.14	-	1,272.83	19,188.33	3,179.02	122,162.83
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	10.13	1,978.60
<b>Net</b>	89,706.06	-	1,230.22	18,969.78	3,168.89	120,184.23

As at	Investments outside India				Total investments
	Government securities (including local authorities)	Subsidiaries and / or joint ventures	Others	Total investments outside India	
<b>Held to Maturity</b>					



# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038173

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**B. Exchange Traded Interest Rate Derivatives:**

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. 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, premium 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:**

Sr. No.	Particulars	Interest rate Derivatives	
		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:**

Nature	No.*	Notional Principal	Benchmark	Terms	
				Standard	Non-Performing
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:

Nature	No.*	Notional Principal	Benchmark	Terms	
				Standard	Non-Performing
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	440.00	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:**

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

Particulars	Year ended		
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
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:**

Nature	No.*	Notional Principal	Benchmark	Terms	
				Standard	Non-Performing
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:**

Nature	No.*	Notional Principal	Benchmark	Terms	
				Standard	Non-Performing
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:**

Particulars	Standard				Non-Performing		Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances		
<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>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**

Particulars	Standard				Non-Performing		Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances		
<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	-	-	-	-	(93.29)	(93.29)	
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		



# KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

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Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
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	3,313.34	5,924.40
Fund based, non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	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\***

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 guarantee 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.

Risk Category	Exposure (net) as at 31 <sup>st</sup> March, 2024		Provision held as at 31 <sup>st</sup> March, 2023	
	Exposure	Provision	Exposure	Provision
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:**

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\*:**

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total Advances of 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\*:**

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.Dr.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 (B)		Of (A) amount written off by the borrowers during the half-year (C)		Of (A) amount paid by the borrowers during the half-year (D)		Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	
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>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>136.93</b>

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

<sup>†</sup> Represents 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) 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:**

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:**

Sr. No.	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

In accordance with the RBI requirement there are no draw downs from reserves during the year (previous year: 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 Ombudsmen (OBOs):

Sr. No.	Particulars	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
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

**Maintainable complaints received by the bank from OBOs**

Sr. No.	Particulars	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
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
31 <sup>st</sup> March, 2024					
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>

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

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 comprise 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:**

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:**

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 deliverables 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 bank's 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:
  - o Qualitative Criteria: Employees in the grade M10 and above
  - o 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:
  - o Risk & Policy function
  - o Financial Control including group consolidation;
  - o Compliance
  - o Internal Audit;
  - o Back-office Operations
  - o Vigilance
  - o Legal
  - o Secretarial
  - o HR
  - o Investor Relations
  - o CSR

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



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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 ₹ 3,154.66 crore (previous year ₹ 1,393.73 crore).

## 39. a) Liquidity Coverage Ratio

Particulars	Average Q4 2023-2024		Average Q3 2023-2024	
	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)	119,711		118,818	
<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
(ii) Less stable deposits	201,581	20,158	195,223	19,522
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
(iii) Unsecured debt	4,016	4,016	3,933	3,933
4 Secured wholesale funding	968	2	180	2
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	28,659	28,659	28,883	28,883
(ii) Outflows related to loss of funding on debt products				
(iii) Credit and liquidity facilities	3,102	336	2,773	289
6 Other contractual funding obligations	9,024	9,024	8,590	8,590
7 Other contingent funding obligations	208,184	9,330	203,218	9,055
<b>Total Cash Outflows</b>	<b>147,686</b>		<b>146,946</b>	
<b>Cash Inflows</b>				
9 Secured lending (e.g. reverse repos)	5,566	10	10,405	5
10 Inflows from fully performing exposures	61,638	51,305	55,600	46,809
11 Other cash inflows	1,081	541	1,388	694
<b>Total Cash Inflows</b>	<b>51,856</b>		<b>47,508</b>	
		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		119,711		118,818
14 Total Net Cash Outflows		95,830		99,438
15 Liquidity Coverage Ratio (%)		124.92%		119.49%

Particulars	Average Q2 2023-2024		Average Q1 2023-2024	
	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)	117,322		102,187	
<b>Cash Outflows</b>				
2 Retail deposits and deposits from small business customers, of which:				
(i) Stable deposits	38,014	1,901	36,398	1,820
(ii) Less stable deposits	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)	117,751	72,107	106,623	64,521
(iii) Unsecured debt	4,420	4,420	3,194	3,194
4 Secured wholesale funding	422	2	2,485	2
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	24,699	24,699	22,563	22,563
(ii) Outflows related to loss of funding on debt products				
(iii) Credit and liquidity facilities	3,627	446	3,078	280
6 Other contractual funding obligations	6,782	6,782	5,574	5,574
7 Other contingent funding obligations	195,440	8,702	188,564	8,432
<b>Total Cash Outflows</b>	<b>137,794</b>		<b>124,209</b>	
<b>Cash Inflows</b>				
9 Secured lending (e.g. reverse repos)	8,307	10	1,914	7
10 Inflows from fully performing exposures	47,064	39,625	41,700	34,880
11 Other cash inflows	1,024	512	1,316	658
<b>Total Cash Inflows</b>	<b>40,147</b>		<b>35,545</b>	
		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		117,322		102,187
14 Total Net Cash Outflows		97,645		88,665
15 Liquidity Coverage Ratio (%)		120.15%		115.25%

## Liquidity Coverage Ratio

Particulars	Average Q4 2022-2023		Average Q3 2022-2023	
	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)	94,801		87,406	
<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
(ii) Less stable deposits	173,408	17,341	169,013	16,901
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
(iii) Unsecured debt	1,378	1,378	601	601
4 Secured wholesale funding		3		3
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	21,638	21,638	24,140	24,140
(ii) Outflows related to loss of funding on debt products				
(iii) Credit and liquidity facilities	3,193	295	2,996	250
6 Other contractual funding obligations	5,489	5,489	5,699	5,699
7 Other contingent funding obligations	182,760	8,151	178,244	7,960
<b>Total Cash Outflows</b>	<b>116,224</b>		<b>114,402</b>	
<b>Cash Inflows</b>				
9 Secured lending (e.g. reverse repos)	832	6	1,154	2
10 Inflows from fully performing exposures	41,759	34,406	44,710	38,186
11 Other cash inflows	809	405	1,067	534
<b>Total Cash Inflows</b>	<b>34,817</b>		<b>38,722</b>	
		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		94,801		87,406
14 Total Net Cash Outflows		81,407		75,680
15 Liquidity Coverage Ratio (%)		116.45%		115.49%

Particulars	Average Q2 2022-2023		Average Q1 2022-2023	
	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)	84,712		86,305	
<b>Cash Outflows</b>				
2 Retail deposits and deposits from small business customers, of which:				
(i) Stable deposits	33,190	1,660	32,115	1,606
(ii) Less stable deposits	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)	96,357	56,987	99,977	57,552
(iii) Unsecured debt	952	952	564	564
4 Secured wholesale funding		1		1
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	21,971	21,971	18,054	18,054
(ii) Outflows related to loss of funding on debt products				
(iii) Credit and liquidity facilities	2,962	243	2,846	233
6 Other contractual funding obligations	6,146	6,146	6,166	6,166
7 Other contingent funding obligations	168,532	7,514	161,654	7,212
<b>Total Cash Outflows</b>	<b>111,957</b>		<b>107,538</b>	
<b>Cash Inflows</b>				
9 Secured lending (e.g. reverse repos)	3,399	6	6,759	3
10 Inflows from fully performing exposures	43,046	35,970	38,180	31,511
11 Other cash inflows	1,663	832	2,243	1,122
<b>Total Cash Inflows</b>	<b>36,802</b>		<b>32,633</b>	

	Total Adjusted Value	Total Adjusted Value
13 TOTAL HQLA	84,712	86,305
14 Total Net Cash Outflows	75,155	74,905
15 Liquidity Coverage Ratio (%)	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 (BSMU), Risk Management Department (RMD), Finance and ALCO Support Group. BSMU 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 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:

- 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.
- The Bank is currently in the process of implementing an IT Solution for Ind AS 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:

Sr. No.	Nature of expense	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
1	Professional Fees	41.44	1,955.94
2	Brokerage Fees	770.58	

Sr. No.	Nature of expense	Year ended	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
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:

Sr. No.	Particulars	Year ended	
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>1. 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. 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. 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	

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KOTAK MAHINDRA BANK LIMITED



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Table with 7 columns: 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. Includes sections for Investments, Diminution on investments, Commission Receivable, Others Receivable, Non Funded Commitments, Swaps / Forward contracts, Expenses, Salaries/ fees (Include ESOP/SARs), Expenses for services received, Income from services rendered.

Table with 7 columns: 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. Includes sections for V. Other Transactions, Sale of Investment, Purchase of Investments, Loan Disbursed During the Year, Loan Repaid During the Year, Assignment Portfolio Buyout During the Year, Dividend Paid, Reimbursements to companies, Reimbursements from companies, Purchase of Fixed Assets, Sale of Fixed Assets, Swaps/ Forwards/ Options Contracts (National).

Table with 7 columns: 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. Includes Guarantees / Lines of Credits.

Note: 1. Figures in brackets represent previous year's figures. 2. The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. 3. # in the above table denotes amounts less than ₹50,000. 4. Remuneration paid to KMPs is pursuant to approval from RBI (excluding value of employee stock options exercised during the year).

Table with 7 columns: 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. Includes Liabilities, Assets, Non Funded Commitments, Swaps / Forwards.

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 29th June, 2015 and 22nd 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.

Table with 4 columns: Particulars, Plan 2015, Plan 2023. Includes details of employee stock options granted during the year.

Table with 5 columns: Particulars, Year ended 31st March, 2024, Year ended 31st March, 2023. Includes details of activity under Plan 2023.

Table with 5 columns: Particulars, Year ended 31st March, 2024, Year ended 31st March, 2023. Includes details of activity under Plan 2023.

Table with 4 columns: Range of exercise prices (₹), Number of options outstanding, Weighted average remaining contractual life of options (in years), Weighted average exercise price (₹). Includes details for 31st March, 2024 and 31st March, 2023.

Stock appreciation rights: At the General Meeting on 29th 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.

Table with 3 columns: Particulars, Year Ended 31st March, 2024, Year Ended 31st March, 2023. Includes Outstanding at the beginning of the year, Granted during the year, Additions/(Reduction) due to transfer of employees, Settled during the year, Forfeited during the year, Outstanding at the end of the year.

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.

Table with 5 columns: Year ended 31st March, Equity-settled, Cash-settled, Equity-settled, Cash-settled. Includes Exercise Price ₹, Weighted Average Share Price ₹, Expected Volatility, Historical Volatility, Life of the options granted (Vesting and exercise period).

The expected volatility was determined based on historical volatility data and the Bank expects the volatility of its share price not to 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.

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

Table with 3 columns: Year ended 31st March, 2024, 2023. Includes Total Employee compensation cost pertaining to share-based payment plans, Compensation cost pertaining to equity-settled employee share-based payment plan included above, Liability for employee stock options outstanding as at year end, Deferred Compensation Cost, Closing balance of liability for cash-settled options, Expense arising from increase in intrinsic value of liability for cash set appreciation plan.

Had the Bank recorded the compensation cost for all share-linked instruments granted on or before 31st 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: The Bank has recognised the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds.

Table with 3 columns: Particulars, 31st March, 2024, 31st March, 2023. Includes Provident Fund, Superannuation Fund, New Pension Fund, DFC Employee Workplace Savings Scheme (DEWS).

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.

Table with 3 columns: Particulars, As at 31st March, 2024, As at 31st March, 2023. Includes Change in benefit obligations, Change in plan assets, Reconciliation of present value of the obligation and the fair value of the plan assets, Expense recognised for the year, Reconciliation of the Liability recognised in the Balance Sheet.

Table with 3 columns: Particulars, As at 31st March, 2024, As at 31st March, 2023. Includes Reconciliation of present value of the obligation and the fair value of the plan assets, Expense recognised for the year, Reconciliation of the Liability recognised in the Balance Sheet.

Table with 3 columns: Particulars, As at 31st March, 2024, As at 31st March, 2023. Includes Reconciliation of the Liability recognised in the Balance Sheet, Investment details of plan assets.

Table with 3 columns: Particulars, 31st March, 2024, 31st March, 2023. Includes LIC managed funds, Government securities, Bonds, debentures and other fixed income instruments, Money market instruments, Equity shares.

\* 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.

Table with 2 columns: Particulars, 7.50% p.a. (previous year 7.30% p.a.). Includes Discount rate, Salary escalation rate, Expected return on plan assets.



# KOTAK MAHINDRA BANK LIMITED

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### Experience adjustments

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

Particulars	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.

### Pension

Pension liability relates to employees of Eiviv.

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

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	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)
Liability at the end of the year	2,111.67	1,912.65
<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
Fair value of plan assets as at the end of the year	1,879.31	1,873.26

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Reconciliation of present value of the obligation and the fair value of the plan Assets</b>		
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>	(232.36)	(39.39)
Expenses recognized for the year	74.28	63.16
Current service cost	135.35	134.04
Interest cost	(126.45)	(133.47)
Actuarial (gain) / loss	157.92	29.40
Effect of the limit in Para 59(b)	-	-
Net pension expense recognized in Schedule 16.1	241.10	93.13
Actual return on plan assets	139.81	144.74

Particulars	As at	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Reconciliation of the Liability recognised 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)	-	-
Net (Asset) / Liability included in "Others" under "Other Assets" / "Other Liabilities"	232.36	39.39

### 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:

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

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

### Compensated absences

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

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	5.00% (IBA), 7.00% (Others) and 3% (DIFC) p.a.	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.

### Long Service Award

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

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.

### 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:

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 Provisions - 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 at 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.

### 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*	22.47*
(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.

\*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.

\*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:

Financial Year	Balance as at 1 <sup>st</sup> April	Amount required to be spent during year	Amount spent during the year		Balance as at 31 <sup>st</sup> March
			From the Company CSR Unspent account	From Separate CSR Unspent account	
FY 23-24	-	218.39	107.31	111.08*	-
FY 22-23	93.11*	-	-	56.15	36.96**
FY 21-22	70.86*	-	-	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.

\*The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY 2023-24 on 29<sup>th</sup> April 2024. Also includes an amount of ₹ 6.27 crore which was refunded by implementing agencies in April 2024.

\* 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:

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	
				From the Company CSR Unspent account	From Separate CSR Unspent account
Nil	-	8.87	8.87	Nil	Nil

Notes:

1. The amount required to be spent is Board approved CSR Project Budget for Other than Ongoing (Annual) CSR Projects for FY 2023-24.

2. 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:

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*	111.08	230.81	1.99

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

### 13. Tier II Bonds

- a) Lower Tier II Bonds outstanding as at 31<sup>st</sup> March, 2024 and as at 31<sup>st</sup> March 2023 is ₹ Nil.
- b) Upper Tier II Bonds outstanding as at 31<sup>st</sup> March, 2024 and as at 31<sup>st</sup> March 2023 is ₹ Nil.
- c) 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

Particulars	Year Ended		
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Statutory Audit fees	3.69	3.44	3.44
Other Matters	0.47	0.44	0.44
<b>Total</b>	<b>4.16</b>	<b>3.88</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: • Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Bank. • Bills re-discounted by the Bank and cash collateral provided by the Bank on assets which have been securitised. • Underwriting commitments in respect of Debt Syndication.
5.	Other items for which the Bank is contingently liable	These include: • 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. • Liability in respect of Capital commitments relating to fixed assets and undrawn commitments in respect of investments. • Amount Transferred to RBI under the Depositor Education and Awareness Fund ("DEA Fund").

\*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:

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 MSME Act and remaining unpaid as at year end	1.81	Nil
2.	Interest due to suppliers registered under the MSME 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 MSME Act, where delay is beyond the appointed day during the year	28.58	7.09
4.	Interest paid, other than under Section 16 of MSME Act, to suppliers registered under the MSME Act, where delay is beyond the appointed day during the year	Nil	Nil

5.	Interest paid, under Section 16 of MSME Act, to suppliers registered under the MSME Act, where delay is beyond the appointed day during the year	Nil	Nil
6.	Interest due and payable towards suppliers registered under MSME 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 ("intermediate parties") with the understanding, whether recorded in writing or otherwise, that the intermediate 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, 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 ₹ 5,500 Crore ("Transaction"). Transaction would be subject to fulfillment 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 Char
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## भालाफेकपटू नीरज चोप्राची पावो नूरमी सुनेत्रा पवार यांची गोम्समध्ये सुवर्ण पदकाची कमाई राज्यसभेवर निवड

मुंबई, दि.१९ : भारताचा गोल्डनबॉय आणि उत्तम भालाफेकपटू नीरज चोप्रा ने पावो नूरमी गोम्स २०२४ मध्ये सुवर्ण पदकावर आपलं नाव कोरलं आहे. नीरजने पहिल्यांदाच या खेळात सुवर्णपदक जिंकलं आहे.



नीरज चोप्रा ने ८५.९७ मीटर दूर भाला फेकत सुवर्ण पदक जिंकलं आहे. नीरज चोप्राच्या या कामगिरीचं देशात कौतुक होतं आहे. नीरजच्या नंतर त्याचा प्रतिस्पर्धी टोनी केरानेन याने ८४.९९ मीटर दूर भाला फेकला

होता. त्याला रीप्य पदक देण्यात आले. तर ओलिवियर हेलांडरने ८३.९६ मीटर अंतरावर भाला फेकला त्याला कांस्य पदक देऊन गौरवण्यात आले. दोहा डायमंड लीग आणि फेडरेशन कपनंतर वर्षातील तिसरी स्पर्धा असेल. गेल्या महिन्यात भुवनेश्वर येथे झालेल्या २७ व्या फेडरेशन कपमध्ये नीराने दोहामध्ये ८८.३६ मीटर थ्रोसह दुसरे स्थान पदकावले आणि ८२.२७ मीटर थ्रोने त्याला अव्वल स्थान मिळवून दिले.

मुंबई, दि.१९ : राष्ट्रवादी काँग्रेस पक्षाच्या श्रीमती सुनेत्रा अजित पवार यांची राज्यसभा सदस्य म्हणून निवड झाल्याची घोषणा महाराष्ट्र विधानमंडळ सचिवालयचे सचिव तथा निवडणूक निर्णय अधिकारी जितेंद्र भोळे यांनी केली आहे. राज्यसभा सदस्य प्रफुल्ल मनोहरभाई पटेल यांच्या राजीनाम्यामुळे रिक्त झालेल्या राज्यसभेच्या एका जागेसाठी (महाराष्ट्र विधानसभा सदस्यांद्वारे निवडून दिल्या जाणाऱ्या) ही पोटनिवडणूक जाहीर करण्यात आली होती. त्यासाठी श्रीमती पवार यांचा एकमेव अर्ज आल्याने त्यांची राज्यसभेवर निवड झाल्याचे घोषित करण्यात आले.

## काँग्रेसची मानसिकता सरजामशाहीची भाजपकडून नाना पटोलेचा निषेध

नाशिक, दि.१९ : काँग्रेस महाराष्ट्र प्रदेश अध्यक्ष नाना पटोले यांनी शेगाव येथे त्यांच्या समर्थक पदाधिकाऱ्याला पाय धुवायला लावल्याचा व्हिडीओ मंगळवारी व्हायरल झाला. या कृत्याच्या निषेधार्थ बुधवारी नाशिकमध्ये भारतीय जनता युवा आणि महिला मोर्चातर्फे आंदोलन करण्यात आले. शहरातील रविवार कारंजा चौकात पटोलेच्या फोटोला जोडे मारत निषेध व्यक्त करून काँग्रेस हाय हाय, नाना पटोले मुदाबाद, कार्यकर्त्यांकडून पाय पूजा करून घेणाऱ्या नाना पटोले

यांचा धिक्कार असो.... अशा घोषणा देण्यात आल्या. सदर कृत्य हे काँग्रेस ची सरजामशाही मानसिकता देशासमोर आणणारे असून, यामुळे लोकशाहीची प्रतिमा मलिन झाली आहे. या घटनेचा निषेध करावा तेवढा थोडा आहे, असे मत भाजपचे शहराध्यक्ष प्रशांत जाधव आणि आमदार सीमा हिरे यांनी मांडले. काँग्रेसमध्ये कार्यकर्त्यांनी कायम गुलामीच करावी अशी मानसिकता असलेले नेते आहेत. महाराष्ट्राच्या पुरोगामी संस्कृतीला काळीमा फासणारी ही घटना

असून नाना पटोलेंनी सदर घटनेवर माफी मागणेही उचित न समजणे अधिक निषेधार्ह आहे, असे मत युवा मोर्चा शहराध्यक्ष सागर शेलार यांनी मांडले. यावेळी छाया देवांग, माधुरी पालवे, सरचिटणीस रोहिणी नायडू, श्याम थोडा आहे, असे मत भाजपचे शहराध्यक्ष प्रशांत जाधव आणि आमदार सीमा हिरे यांनी मांडले. काँग्रेसमध्ये कार्यकर्त्यांनी कायम गुलामीच करावी अशी मानसिकता असलेले नेते आहेत. महाराष्ट्राच्या पुरोगामी संस्कृतीला काळीमा फासणारी ही घटना

## केजरीवालांच्या कोठडीत ३ जुलैपर्यंत वाढ



नवी दिल्ली, दि.१९ : दिल्ली मद्य धोरण घोटाला प्रकरणी जेलमध्ये असलेले दिल्लीचे मुख्यमंत्री अरविंद केजरीवाल यांच्या न्यायालयीन कोठडीत ३ जुलैपर्यंत वाढ करण्यात आली आहे. यापूर्वी केजरीवाल यांना अंतरिम जामीन देण्यास न्यायालयाने नकार दिला होता. न्यायालयाने केजरीवाल यांच्या न्यायालयीन कोठडीत १९ जूनपर्यंत वाढ केली होती.

दिल्लीचे मुख्यमंत्री आणि आम आदमी पार्टीचे संयोजक अरविंद केजरीवाल यांच्या मद्य धोरण प्रकरणी राऊस एव्हेंयू कोर्टाने न्यायालयीन कोठडी वाढवली होती. न्यायालयाने दाखल केलेल्या आरोपपत्रात अमलबजावणी संचालनालयाने (ईडी) म्हटले होते की राजधानीतील दारूच्या व्यापारात गुंतवणूक करण्याच्या बदल्यात पंजाबमधील व्यावसायिकांकडूनही लाच घेण्यात आली होती. त्यांनी असेही म्हटले होते की आम आदमी पार्टीचे (आप) शासन असलेल्या पंजाबमधील ज्या व्यावसायिकांनी लाच दिली नाही त्यांना शेजारच्या राज्यात दारूच्या व्यवसायात गुंतवणूक करण्याची परवानगी नव्हती. पहिल्यांदाच एखाद्या राजकीय पक्षाविरुद्ध प्रिव्हेन्शन ऑफ मनी लॉइंग ऍक्ट (पीएमएलए) अंतर्गत गुन्हा दाखल करण्यात आला आहे.

## नाना पटोलेंनी राजीनामा द्यावा: शंकर जगताप

पुणे, दि.१९ : अनेक निवडणुकांमधील सततच्या पराभवांनंतर लोकसभा निवडणुकीत दिसलेला आशेचा एक किरण काँग्रेसमधील सरजामशाहीला नवसंजीवनी देणारा ठरला असून, गांधी घराण्यातील नेतापूजनाची परंपरा पटोले पूजनापर्यंत पोहोचल्याचे आता पहावयास मिळत आहे. पराजयातही विजयाच्या उन्मादाने उन्मत्त झालेले काँग्रेसचे प्रदेशाध्यक्ष नाना पटोले यांनी चक्र कार्यकर्त्यांकरवी पाघपूजा करून घेतल्याचा धक्कादायक प्रकार पुरोगामी महाराष्ट्राच्या राजकीय परंपरेला काळीमा फासणारा असून याचे जाहीर प्रदर्शन करणाऱ्या

नाना पटोलेंनी ताबडतोब पदाचा राजीनामा देऊन राजकारणातून संन्यास घ्यावा, अशी मागणी भाजपाचे पिंपरी चिंचवड शहर (जिल्हा) अध्यक्ष शंकर जगताप यांनी एका प्रसिद्धी पत्रकाद्वारे केली आहे. देशाच्या राजकारणात काँग्रेसने व्यक्तिपूजेची परंपरा सुरू केली. गांधी घराण्याचे हुजरे यामध्ये आघाडीवर राहिले. याच परंपरेचा शिरकाव काँग्रेसमध्ये तळागाळात पोहोचला असून काँग्रेस प्रदेशाध्यक्ष आमदार नाना पटोले यांचे विखलाने माखलेले पाय चक्र कार्यकर्त्यांनी पाण्याने धुतल्याचा प्रकार अकोला जिल्हातील वाडेगाव येथे समोर

आला आहे. अनेक निवडणुकांत सातत्याने होणाऱ्या पराभवांनंतर काही जागांवर मिळालेल्या यशामुळे हुरळून गेलेल्या पटोले यांच्या अशा सरजामशाहीला महाराष्ट्राच्या राजकारणात थारा दिला जाणार नाही, असेही शंकर जगताप यांनी या पत्रकात म्हटले आहे. पुरोगामी महाराष्ट्राच्या राजकीय परंपरेस बद्ध लावणाऱ्या या कृतीबद्दल प्रायश्चित्त म्हणून पटोले यांनी राजकीय संन्यास घेऊन बुवाबाजी सुरू करावी व काँग्रेस प्रदेशाध्यक्षपदावर पाणी सोडावे, अन्यथा त्यांच्या विरोधात तीव्र आंदोलन उभारू असा इशाराही शंकर जगताप यांनी या पत्रकाद्वारे दिला आहे.

## नांगरणीसाठी ट्रॅक्टर, पाँवर टिलर वापरण्याकडे शेतकऱ्यांचा कल

रत्नागिरी, दि.१९ : बदलत्या काळानुसार शेतकरीसुद्धा पारंपरिक शेतीऐवजी आधुनिकतेकडे वळलेला आहे. त्यामुळे पावसाळ्यात शेतामध्ये नांगरणी करताना बैलजोडीची जागा यांत्रिकीकरणाने म्हणजेच ट्रॅक्टर आणि पाँवर टिलरने घेतली आहे.

यांत्रिकीकरणाच्या साह्यानेच शेतीची नांगरणी केली जाते. पूर्वी पावसाळा सुरू होण्यापूर्वी शेतकरी सुताराकडून आपल्या नांगराची डागडुजी करून घेत असे. बैलाच्या मानेवर ठेवले जाणारे जोखड त्याचबरोबर नांगराचा फाळ, लुमणी या सर्व गोष्टी तो सुताराकडून व्यवस्थित करून घेत असे. पेरणीला सुरवातीपासून ते लावणी संपेपर्यंत याच नांगराने शेतकरी शेती नांगरत होता.

नांगर आणि गोठ्यातील बैलजोडी हे समीकरण पारंपरिक असल्याने शेतकरी गोठ्यातील बैलांची तेवढीच काळजी घेत होता. आता बैलांची जागा यंत्रांनी घेतली आहे. भात लावण्यासाठी केलेला चिखल यांत्रिकीकरणामुळे अतिशय पातळ होतो; मात्र नांगराने केलेला चिखल घट्ट होतो. भातरोपे त्यामध्ये लगेच रुतून जात असत. सध्या शेतकरी आधुनिकतेचा स्वीकार करताना पशुधनाला बाजूला करून ट्रॅक्टर व टिलर यांच्या माध्यमातून नांगरणी करत आहेत. वेळेची बचत होत असल्यामुळे शेतकऱ्यांना ते परवडते. त्यात कृषी विभागाकडून अनुदान मिळत असल्यामुळे शेतकरी त्याकडे अधिक वळत आहेत. असे असले तरी शेतीच्या यांत्रिकीकरणामुळे पशुधन कमी होत आहे.

## ठाणे शहरातील १० टक्के पाणीकपात रद्द करण्यासाठी प्राधान्य देणार, आयुक्तांचे आश्वासन

ठाणे, दि.१९ : ठाणे शहरात लागू करण्यात आलेली १० टक्के पाणीकपात रद्द करण्याबाबत प्राधान्य देण्यात येईल, असे आश्वासन महापालिकेचे आयुक्त सौरभ राव यांनी येथे दिले. मुंबई महापालिकेकडून ठाण्याला देण्यात येणाऱ्या पाणीपुरवठ्यात कपात केल्यामुळे शहरात पाणीटंचाई जाणवत असल्याकडे भाजपाचे जिल्हाध्यक्ष संजय वाघुले यांच्या नेतृत्वाखालील शिष्टमंडळाकडून लक्ष वेधण्यात आले होते.

ठाणे शहरातील नागरी समस्या व नागरिकांना भेडसावणाऱ्या

विविध अडचणींसंदर्भात भाजपाचे जिल्हाध्यक्ष संजय वाघुले यांच्या नेतृत्वाखाली माजी नगरसेवक-नगरसेविकांनी महापालिका आयुक्त सौरभ राव यांची आज सायंकाळी भेट घेतली. या शिष्टमंडळात माजी गटनेते नारायण पवार, मनोहर डुंबरे, भरत चव्हाण, मुकेश मोकाशी, कृष्णा पाटील, सुनेश जोशी, नंदा पाटील, दीपा गावंड, अर्चना मणेश, कमल चौधरी, कविता पाटील, मंगल पेंडसे, प्रतिभा मढवी, नम्रता कोळी, राजकुमार यादव आदींचा समावेश होता.

ठाणे शहराला अपुरा

पाणीपुरवठा होत असतानाच मुंबई महापालिकेने ठाणे शहराला देण्यात येणाऱ्या पाणीकोट्यात कपात केली आहे. त्यामुळे शहरात तीव्र पाणीटंचाई भेडसावत आहे. घोडबंदर रोडवरील काही सोसायट्यांमध्ये एक ते दोन लाखांची टँकरची बिले होत आहेत. नौपाडा, उधळसर, कळवा, दिवा, वागळे इस्टेट भागात अपुऱ्या पाण्यामुळे नागरिकांचे हाल होत आहेत. या पार्श्वभूमीवर १० टक्के पाणीकपात रद्द करून, पाणीगळती रोखण्याची मागणी आयुक्त सौरभ राव यांच्याकडे करण्यात आली.

त्यावर मुंबई महापालिकेच्या आयुक्तांबरोबर चर्चा करून पाठपुरावा करण्याचे आश्वासन आयुक्त राव यांनी दिले. शहराच्या काही भागात पाण्याचे मीटर बसविले आहेत. तर काही ठिकाणी मीटरविना पाणीपुरवठा सुरू आहे, याकडे लक्ष वेधल्यावर आयुक्त राव यांनी चौकशीचे आदेश दिले. शहराच्या काही भागात जलकुंभांचे काम सध्या सुरू असल्याची तक्रार केल्यावर, येत्या डिसेंबरपर्यंत जलकुंभांची कामे पूर्ण करण्याचे आश्वासन देण्यात आले.



## KOTAK MAHINDRA BANK LIMITED

CIN - L65110MH1985PLC038137

Registered Office: 27BKC, C. 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  
Tel.: +91-22-6166 0001 Fax: +91-22-6713 2403 Website: www.kotak.com Email: KotakBank.Secretarial@kotak.com

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.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current 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

- 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.
- As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - 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;
  - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - 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.
- 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.
- As required by section 143 (3) of the Act, we report that:
  - 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;
  - 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);
  - 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;
  - 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;

- 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;
- 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);
- 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
- 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:
  - 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;
  - 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;
  - 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;
  - 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 of 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.
  - The dividend declared and paid during the year ended 31 March 2024 by the Bank is in compliance with Section 123 of the Act.
  - 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/100621

### Gautam Shah

Partner  
Membership Number: 117348  
UDIN: 24117348BKZWK9832

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')

- 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

- 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 the 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

- 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.

- 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.

- 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

- 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

- 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

- 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/100621

### Gautam Shah

Partner  
Membership Number: 117348  
UDIN: 24117348BKZWK9832

Place: Mumbai

Date: 04 May 2024