Kotak Mahindra Bank

July 14, 2024

KMBL/057/2024-25

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

Dear Sirs,

Sub: Error Clarification - Integrated Annual Report 2023-24

Dear Sirs,

We refer to the Integrated Annual Report 2023-24 filed by the Bank with the stock exchanges on July 12, 2024 and observe a typographic error in the details of remuneration paid to the Executive Directors of the Bank during FY 2023-24 shown on page number 305 in the Report on Corporate Governance forming part of the Integrated Annual Report 2023-24. The said remuneration details should be read as 'Rs. in lakh' instead of 'Rs. in crore'.

By this letter, we are filing with the stock exchanges the updated copy of the Integrated Annual Report 2023-24, after correcting the above stated typographic error. We also confirm that, in relation to the above, there is no other corresponding change required to be made in the attached copy of the Integrated Annual Report 2023-24.

This clarification is also being made available on the Bank's website at https://www.kotak.com/en/investor-relations/governance/sebi-listing-disclosures.html and at https://www.kotak.com/en/investor-relations/financial-results.html?source=website

We request you to kindly take the above on record and disseminate to all concerned.

Thanking you,

Yours faithfully,
For Kotak Mahindra Bank Limited
AVAN KAYOMARS DOOMASIA
Avan Doomasia
Company Secretary

Encl.: as above

Integrated Annual Report 2023-24

kotak



Transforming
for scale

Scan the QR code or visit our website to know more about us



Read the report or download it from
www.kotak.com

You can write to us at
investor.relations@kotak.com



Transforming for scale

Kotak had set itself on the path of change, recognising that we would require certain enablers such as technology and talent to make the transition to serve the customer in a superior manner. As we look out over the next few years, we are convinced that the customer will determine the outcome of Kotak's relevance and positioning in the market.

To take our objective forward we are reimagining how we look at our businesses by keeping the customer at the core. We are accordingly building out our capabilities, reimagining our processes, to bring to bear to the customer all the products and services that Kotak's financial conglomerate has to offer. Our goal is to infuse simplicity into every transaction, by becoming a bank that truly understands and caters to the needs of our customers. We strive to transform banking into an experience that is simple, curated, engaging and as enjoyable as shopping! As we see it, the customer will benefit from these propositions, drive enhanced engagement and ultimately increase value for our stakeholders.

This transformation that we are driving, by harnessing the power of technology and leveraging on the opportunities that India's demographic dividend presents, sets the tone for the scale and relevance that we are seeking in our chosen areas.

Our commitment to hire the best talent and to drive their integration into the Kotak culture is a significant element of our strategy to drive the transformation.

As we go forward, we remain anchored in our mores of prudent risk management to protect our balance sheet, and the adherence to the practice of risk adjusted returns to drive value for our shareholders.

We will continue to remain true to our core DNA of driving differentiation and trust, and building a franchise that is recognized for its promise and potential.

About this Report

Kotak Mahindra Bank Limited ('the Bank' or 'Kotak Mahindra Bank') and our subsidiaries (hereby collectively referred to as 'Kotak Mahindra Group', 'the Group' or 'Kotak' or 'We')[1] are pleased to present our fourth Integrated Annual Report (Report) for the period starting from 1st April, 2023, to 31st March, 2024. We at Kotak ensure our efforts towards business growth, environmental stewardship and social development are published on an annual basis.

Our Integrated Annual Report strives to provide our readers with disclosures on our financial and non-financial performance as well as value creation imperatives across our businesses and subsidiaries. It narrates in detail the way environment, social and governance matters are embedded in the functioning of our businesses with an emphasis on our strategy, governance, risks and prospects to provide insightful information about our activities and performance. Our material matters outlined on pages 42-45, inform our strategic decisions and risk management protocols. Through a dual materiality lens, we engage stakeholders, assess impacts, risks and opportunities across our operational landscape, ensuring alignment with our objective of value creation - in the short, medium and long term, detailed on page 12. It also covers the performance, progress and initiatives of Kotak Mahindra Bank Limited and its subsidiaries for FY 2023-24. We have incorporated comparative figures, as applicable, for the last three to five years in this Report, to provide a holistic view. In this report,colleague(s) refers to all employees on full time (permanent and fixed term contracts) and part time roles.

Reporting Guidelines

Our Integrated Annual Report has been developed as per the International Integrated Reporting Council framework and the National Guidelines on Responsible Business Conduct. This report includes the Bank's Business Responsibility and Sustainability Reporting (BRSR) stipulated by SEBI, which has been prepared on a standalone basis.

Furthermore, the contents of the Report include disclosures prepared with reference to Global Reporting Initiative Standards 2021. We have also attempted to align some of our updates and disclosures presented in this report to the Sustainable Development Goals (SDGs).

Standards and guidelines

Business Responsibility and Sustainability Reporting

SUSTAINABLE DEVELOPMENT GOALS

The financial and statutory information has been presented as per the requirements specified by the following regulations and standards:

The Companies Act, 2013 (including the rules made thereunder)	The Indian Accounting Standards
The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Banking Regulation Act, 1949 and other relevant RBI regulations

Organisational Boundary for ESG Disclosures[2]

This report predominantly covers information related to Kotak Mahindra Bank Ltd as well as those of our subsidiary companies. The list of subsidiaries is mentioned on page 388. The ESG disclosures encompass details of our Group's national and international footprint, including office premises, branches and ATM networks.

The BRSR is prepared for the Bank on a standalone basis, aligned with our standalone financial statements. Similarly, the GRI indicators are also disclosed for the Bank on a standalone basis in this Integrated Annual Report. Furthermore, in our endeavour to expand the reporting boundary, the Group has voluntarily disclosed certain indicators both on standalone and consolidated basis such as Energy consumption within the organisation, GHG emissions (Scope 1 and 2), Energy and Emission intensity, employee headcount, employee hires and turnover. The boundaries for specific disclosures are clearly indicated in the notes of the relevant sections within this Report. As with the previous two years, no restatements have been made for this Report, however there has been a change in methodology and assumptions in the computation of certain indicators and the impact of the same have been disclosed in respective sections.[3]

Assurance for ESG disclosures[4]

Reasonable and limited assurance engagement on the agreed indicators in the Integrated Annual Report including the Business Responsibility and Sustainability Report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, the International Standards on Assurance Engagements (ISAE) 3000 (revised), "Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standard Board (IAASB)". The assurance statements can be found from page 431 of this report.

Management review

This Integrated Annual Report has been reviewed and approved, for publication, by the Management of Bank.

Feedback

For any suggestions, views and perspectives you may have about this Report, kindly reach out to us at investor.relations@kotak.com.[4]

[1]GRI 2-1 | [2]GRI 2-2 | [3] GRI 2-4 | [4]GRI 2-5 | [5]GRI 2-3

What's Inside

Who We Are

Introducing our group structure , diverse products and services, our network and the visionary Board of Directors.

About Us — 04
Board of Directors — 06

Year in Review

Message from the MD & CEO on our strategy and performance; our value creation model, overview of our businesses and key performance indicators.

Message from Ashok Vaswani — 08
Value Creation Model — 12
Business Overview — 14
Digital — 24
Technology — 28
Talent — 30
Key Performance Indicators — 32
Awards and Accolades — 34

Transforming for scale

An insight into our overarching strategy, stakeholder interactions, along with materiality issues, risk management and governance.

Strategy — 36
Stakeholder Engagement and Materiality Assessment — 42
Risk Management — 46
Governance — 52



Sustainability at Kotak

Elaborating on our key ESG initiatives along with a synopsis of the sustainability outcomes.

Embracing Sustainability — 56
Generating Value for Customers — 70
Empowering Colleagues — 74
Supporting Communities — 86

Financial Performance

An overview of the financial performance of the Group.

Financial highlights

Consolidated and Standalone — 94

Financial statements

Independent Auditor's Report On Consolidated Financial Statements — 97
Consolidated Financial Statements — 110
Financial Information of Subsidiaries and Basel III (Pillar 3) Disclosures — 160
Independent Auditor's Report On Standalone Financial Statements — 162
Standalone Financial Statements — 168

Statutory reports

Directors' Report And Annexures — 249
Report On Corporate Governance — 294
Management's Discussion and Analysis — 343
Business Responsibility and Sustainability Report (BRSR) — 386

Annexures

ESG Data Tables — 422
GRI Index — 428
TCFD Index — 430
Assurance Statements — 431

Page
08

Message from Ashok Vaswani

Managing Director & CEO

About Us

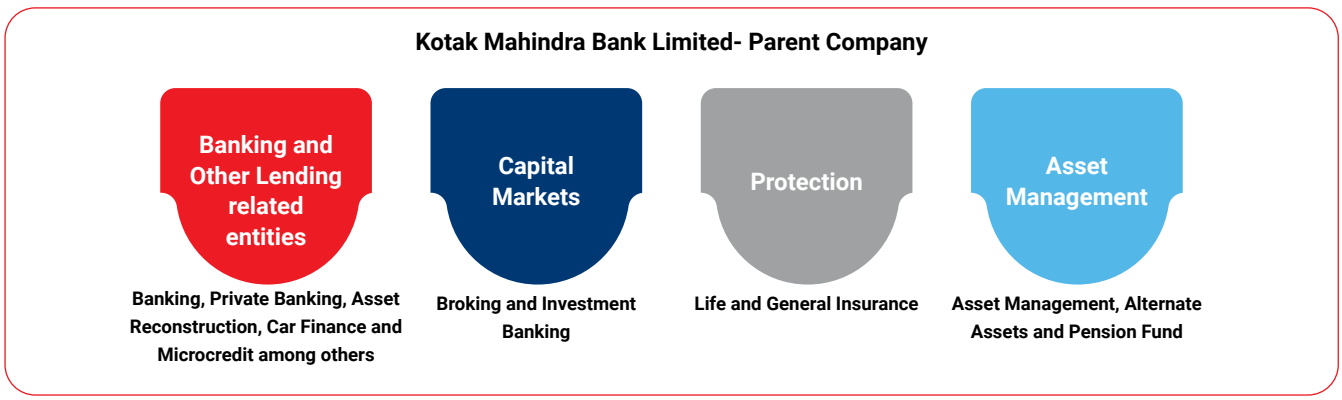
Purpose-led, value-driven

Established in 1985, Kotak is one of India's leading diversified and integrated financial services conglomerates, providing a wide range of financial solutions across customer and geographic segments within India. As a Group, Kotak also operates in overseas markets through international subsidiaries and branches in key geographies.[1]

Kotak has been built on the ethos of trust, governance, prudent risk management practices, product expertise, innovation in its offerings and a talented management team with an entrepreneurial mindset. This conflux of elements has resulted in the creation of the robust financial conglomerate structure that it is today. All this we have done, keeping in mind, the long-term interest of our stakeholders for sustainable growth. We are uniquely positioned to serve our customers across every spectrum of their financials needs.

Kotak is a **₹ 7.7 trillion** institution* with a market capitalisation of **₹ 3.5 trillion** as on 31st March, 2024

Unleashing the Power of Kotak's Financial Conglomerate Structure



All subsidiaries are 100% owned beneficially by the Bank**

Kotak Universe^

₹ 7,67,667 cr
Total assets

₹ 5,60,140 cr
Assets under management

₹ 4,45,269 cr
Total deposits

₹ 4,30,352 cr
Total advances

₹ 1,75,302 cr
Total investments#

₹ 7,80,320 cr
Relationship Value$

5.0 cr
Number of customers of the Bank

6,81,000+
Shareholder base

1,16,000+
Full-time employees

**Consolidated Assets | **as on 31st March, 2024 | ^All numbers are on a consolidated basis except where stated | #Excludes Policyholders' Investments | $Relationship Value of Private Banking + Priority + Investment Advisory | 1GRI 2-1*

Building unified user interactions across various platforms

Our strategy of creating a seamless customer experience between physical, voice and digital channels remains unchanged. At Kotak, we are actively participating in India's digital revolution and relentlessly working to improve the digital banking experience for our customers.

Our services are available on various digital channels, such as websites, mobile apps, WhatsApp, chatbots, voice bots and kiosks. To provide ease of access, information and short videos are made available in English, Hindi and other vernacular languages. Bots are deployed to automate services, go paperless and deliver customer responses faster.



Digital universe

3.4 cr
Debit cards in force

59.5 lakh
Credit cards in force

68%▲
Growth in transaction volume on mobile app

98%+
Savings account transactions through digital or non-branch modes in FY 2023-24

Physical Footprint

Our pan-India distribution network comprising branches and franchisees enables us to reach out to a large customer base. We also have an international banking unit in Gujarat International Finance Tec-City (GIFT City), a Bank branch in the Dubai International Financial Centre (DIFC) and international offices in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi.

1,948
Bank branches^

3,291
Bank ATMs^^

898
Bank Pan-India operating locations

5,137
Group branch network in India^#

Group Branch Network In India

kotak Kotak Mahindra Prime	151
kotak Securities	1,196#
kotak life	292
kotak General Insurance	31
kotak Mutual Fund	101
BSS Microfinance	855
	563

Bank branch distribution (No. | %)

East	164	8%
North	603	31%
South	577	30%
West	604	31%



Bank branch classification (No. | %)

Metro	887	45%
Rural	326	17%
Semi Urban	309	16%
Urban	426	22%



▲ *YoY | ^ Does not include branches in GIFT City (Gujarat) and DIFC (Dubai) | ^^ Including cash recyclers | #Kotak Securities network includes branches, franchises and referral co-ordinators*

Board of Directors

Guardians of your trust



Left to Right

Ashok Gulati
Independent Director

Uday Shankar
Independent Director

Uday Khanna
Independent Director

Ketaki Bhagwati
Independent Director

Eli Leenaars
Independent Director

Amit Desai
Non-Executive Director

Left to Right

Shanti Ekambaram
Deputy Managing Director

Ashok Vaswani
Managing Director & CEO

C S Rajan
Non-Executive Independent
Part-time Chairman

Uday Kotak
Non-Executive Director

Ashu Suyash
Independent Director

Message from Ashok Vaswani

Transforming for scale



"In all my 35 years of working experience, one lesson stands out: if you get it right by the customer, everything else will fall into place. If you don't get it right by the customer, then nothing else matters. At Kotak, we are deeply determined to get it right by our customers."

Ashok Vaswani
Managing Director & CEO

Dear Shareholders,

It is with a great sense of humility, excitement and determination that I share my first thoughts with you.

Kotak is one of the largest financial conglomerates in India, with a stellar reputation, a strong brand, global standards of governance, a prudent risk management mindset, and a dedicated management team. Therefore, it is no surprise that Kotak has delivered excellent financial results, growing consolidated Profit After Tax at a 5-year CAGR of 20.4%– fiscal year 2023-24 being no exception.

The credit goes to Uday Kotak, who has built this exceptional business, directed its growth from a bill discounting business to the most diverse financial organisation in the country today. His incredible attention to detail and to first principles have been pivotal in navigating difficult situations over the last few decades, such as the NBFC crisis, global financial meltdown, COVID-19 pandemic, etc. Uday's ability to build a strong management team that embodies entrepreneurial energy has been instrumental in our success over these years. Words cannot sufficiently express the institutional building that he has achieved. And this is exactly what we want to sustain – a preeminent institution that outlives generations!

I am humbled and grateful that I have been chosen to lead our company into its next phase of growth. I sincerely believe that we are extremely well poised to take this franchise to the next level. In a way, I have trained for 35 years across every geography in the world to take on this opportunity.

Of course, the Indian economy and the Indian drive and determination are clear tailwinds. India's growth trajectory, both in terms of stature and prominence, achieved on its own terms, is truly inspiring. Over the years, I have seen this first hand while managing businesses in India from abroad. As an Indian, my heart swelled with pride regardless of the geography that I was in. This, coupled with all the internal building blocks that we have, gives me a great sense of excitement and energy as we take this institution to the next level.

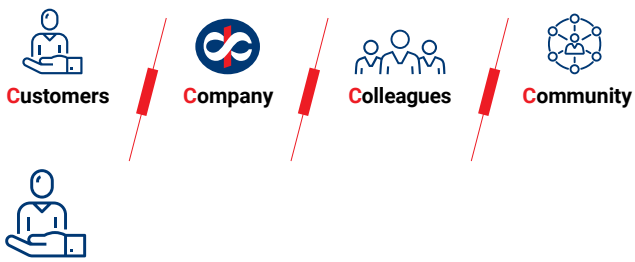
"Kotak is one of the largest financial conglomerates in India, with a stellar reputation, a strong brand, global standards of governance, a prudent risk management mindset, and a dedicated management team. Therefore, it is no surprise that Kotak has delivered excellent financial results, growing consolidated Profit After Tax at a 5-year CAGR of 20.4%– fiscal year 2023-24 being no exception."

This is also what drives my determination.

I am deeply committed to ensuring that our key stakeholders are proud of the Kotak Group and the Group achieves its rightful position in the financial services industry. That then brings me to our core strategy for the next phase –

Transforming for scale

Equally important while transforming for scale would be to Scale for Relevance and not for the sake of size.



Customers

The Heart of Our Business

The most important stakeholder is our **Customer**. In all my 35 years of working experience, one lesson stands out: if you get it right by the customer, everything else will fall into place. If you don't get it right by the customer, then nothing else matters. At Kotak, we are deeply determined to get it right by our customers by understanding their needs and building appropriate propositions and thus being the right partner to them – which sometimes may even mean saying no. The good news is that we have a comprehensive range of products and services within Kotak, enabling us to fulfil our promises. We assure our customers that we will make it easier for them to do business with us.

Every single financial product and service that we provide is a means to an end rather than the end in itself. Hence, making sure that we are there and deliver for the customer on their terms becomes critical. Getting this right will lead to our customers rewarding us with their loyalty and business. In turn, this approach will help us scale our business and expand market share. Where we already have a good market share, we will aim to maintain our position while simultaneously driving growth in other business segments.

"Every single financial product and service that we provide is a means to an end rather than the end in itself. Hence, making sure that we are there and deliver for the customer on their terms becomes critical."

Message from Ashok Vaswani

Company
Building Sustainable Value

You give us the capital to run our **Company**, and it is our commitment to deliver to you – to build a great company that you can be proud of and an institution that delivers sustainable and consistent financial returns.

On a consolidated basis in FY 2023-24, our Net Profit grew at 22% YoY to ₹ 18,213 crore translating into a strong Return on Assets of 2.66%. As on 31st March, 2024, our Networth was ₹ 129,892 crore, Book Value per Share was ₹ 653 and Capital Adequacy Ratio stood at 21.8%. Total Assets Under Management was over ₹ 560,000 crore.

At the Bank standalone level, our customer base grew to over 5 crore, Net Profit grew 26% YoY to ₹ 13,782 crore and Net Interest Margin stood at 5.32%. YoY we grew our deposits and advances by over 20% while maintaining credit cost at 45 bps.

We recognise that you have many options, but we will demonstrate, as we have in the past, that we will deliver for you consistently.

At this stage, it is appropriate to address the recent RBI order. Over the last few years, we had completely embraced the notion that leveraging technology is fundamental to growing the business. Towards this, we had significantly stepped up resources and investments in technology. However, it is evident that we have more to do. Changing customer expectations, the dramatic pace of business growth and the emerging risk landscape have meant that we have to move at a much faster pace. We are absolutely committed to further enhancing our resources and commitments in this area and I am very confident that collectively, as a team – we will deliver and use this as an opportunity to leapfrog.

It is also very clear that technology is going to be at the centre of our efforts to transform and hence, scale.

"Changing customer expectations, the dramatic pace of business growth and the emerging risk landscape have meant that we have to move at a much faster pace. We are absolutely committed to further enhancing our resources and commitments in this area, and I am very confident that collectively, as a team – we will deliver and use this as an opportunity to leapfrog."

Colleagues
Our Greatest Asset

We can only achieve our goals through our greatest asset and ambassadors – our **Colleagues**. Committed colleagues who are aligned with the Company's purpose will deliver for the customer. The job of everyone in the Company is to become a customer facing colleague, or at the very least, serve the front-line colleague facing the customer. We will transform our internal processes to make it easier for our customer-facing colleagues to meet the needs of the customer.

Attracting and retaining colleagues who are excited about being customer obsessed will be our mantra as we transform for scale.

"We will transform our internal processes to make it easier for our customer-facing colleagues to meet the needs of the customer."

Community
Thriving Together

Another very important stakeholder is our **Community**. Within this, the most important stakeholders are our regulators. Our regulators give us the licence to do business. They essentially want us to take care of our customers and do that in a prudent manner. That is exactly what the management team seeks to do. Hence, there is no ray of light between the regulators and the team.

More broadly, we can only thrive – if the community in which we live and operate thrives. It is in our self-interest to make sure that the community thrives. Our efforts in this regard will be reflected in the value of our brand.

"Our regulators give us the licence to do business. They essentially want us to take care of our customers and do that in a prudent manner. That's exactly what the management team seeks to do. Hence, there is no ray of light between the regulators and the team."



I am extremely proud of the CSR activity that we do as a Group, especially on education, livelihood, healthcare and environmental sustainability. Personally, I have benefited from my family's intense focus on education and sincerely believe in the adage of teach a person to fish and you feed them for life. Closely linked to that is the need to create employment and fuel entrepreneurship. That, in a sense, is Kotak's legacy, and we want to Transform for scale – Entrepreneurship. I have been going around the country, meeting many young people, and the confidence and sparkle in their eyes tell me that it is only the right thing to do. That's transforming and scaling the country, and as part of our community efforts, we will play our share.

These are, no doubt, ambitious goals, but we are not playing for the short term. Our commitment to you is to demonstrate consistent progress against these goals.

In conclusion, I want to leave you with one last thought – as your management team, we will build a sustainable, high performing organisation. Our journey ahead is filled with opportunities and challenges and I am confident that with your continued support, we will achieve our aspirations. We are determined to win and more importantly, win in the right way!

Let's keep going!



Ashok Vaswani
Managing Director & CEO
6th July, 2024

Value Creation Model

Perceiving value through the 4C framework

Capitals employed

Financial Capital*

₹ 4,48,954 cr
Deposits (Bank Standalone)

₹ 75,106 cr
Borrowings

₹ 1,29,892 cr
Networth

Manufactured and Intellectual Capital*

5,137
Group Branch Network in India

33%
Semi Urban and Rural Bank Branches

208
Corporate offices

1,500+
Premises which are accessible to persons with disability

75%
% of virtual server in the total server base at the Bank

98%+
Savings account transaction volumes were in digital or non-branch modes in FY 2023-24 (Bank)

Human Capital

1.16 lakh+
Full-time employees at the Group

₹ 46 cr
Investment in training and development at the Bank**

Social and Relationship Capital

44.06%
Total Priority Sector Lending (PSL) annual average achievement at the Bank (against target of 40%)

₹ 320 cr+
Group CSR Expenditure#

~27 lakh
Active microcredit women borrowers at the Group

Natural Capital*

20,000+
Employees working out of

12 LEED/IGBC
Certified Buildings

6
Organic waste convertors

33,271 GJ
Renewable Energy procured for use in corporate offices

Identified themes to drive value

Strategic Themes

Our approach to corporate governance enables us to effectively address risks and emerging opportunities affect our business helping us understand Financial materiality. Engagement with our key stakeholder groups indicated how our business activities affect people and the environment, helping us arrive at Impact materiality. For more details on materiality assessment refer pages 42-45 of the report.

pg. 36

1. Scale
2. One Kotak
3. Prudent Risk Management
4. Technology at the Core
5. Empowered Colleagues
6. Driving Inclusive and Responsible Growth
7. Execution Excellence at Scale

Material topics that add value to our foundation, growth and ecosystem have been determined by considering Financial materiality and Impact materiality. The views of the Kotak Leadership Team indicated how ESG related risks and opportunities affect our business helping us understand Financial materiality. Engagement with our key stakeholder groups indicated how our business activities affect people and the environment, helping us arrive at Impact materiality. For more details on materiality assessment refer pages 42-45 of the report.

Value created for stakeholders

We aim to enhance financial well-being, promote sustainable practices, and amplify value for our stakeholders through the 4C framework.

Customers - The heart of our business

Consistently deliver value and drive seamless customer services by leveraging tech-enabled innovation.

Safety and Returns

13 points
Increase in R-NPS score for the Consumer Banking segment$

Convenience and Accessibility

81%
of customer grievances resolved within stipulated turnaround time

Company - Building sustainable value

Creating long-term shareholder value through strong financial returns and integrating sustainability into the core business and operations.

₹18,213 cr
Net Profit*

2.66%
Return on Assets*

15.08%
Return on Equity*

5.0 cr
Number of customers of the Bank

20% ▲
Increase in Advances

₹ 6,000 cr+
Green asset book#

Constituent of MSCI India ESG Leaders Index as on the date of publishing of this report&

Colleagues** - Our greatest asset

Creating a diverse, inclusive, engaged and effective workforce.

80%
of our colleagues at Kotak feel proud of their accomplishments here^

14%
Reduction in Bank's permanent employee turnover rate (46% in FY 2022-23 to 40% in FY 2023-24)

~15 years
Average tenure of senior management at the Bank

10.4% ▲
Increase in full-time women employees at the Group

Community - Thriving together

Generating sustained positive societal and environmental value, through financial inclusion and CSR initiatives.

4 lakh+
savings accounts digitally opened, with about 68% in rural and semi-rural areas as on March 31st, 2024

8.2 lakh+
beneficiaries impacted by CSR projects at the Group

Supporting Pullela Gopichand Academy to groom world-class sporting talent

Partnerships with IIT Kanpur and IISc Bangalore for nurturing sustainability, AI and ML talent

**On Consolidated basis except where stated | **This includes cost of training staff, subscription for e-learning modules and conferences etc. | #Including transfer to Unspent CSR Account, administrative overhead and impact assessment.*

*▲ YoY | $Improvement in score over the period December 2022 to January 2024 |*On Consolidated basis except where stated | #As per green activities/projects indicated in RBI's 'Framework for acceptance of Green deposits' issued in April, 2023 | **refers to all employees on full time (permanent and fixed term contracts) and part time roles | ^by the Great Place To Work® Institute (India) | &The inclusion of Kotak Mahindra Bank Limited (Kotak) in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute A sponsorship, endorsement or promotion of Kotak by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates*

Business Overview

Diversified businesses with a unified vision[1]

We have remained focused on growing our businesses and deepening our relationships with our customers. We created propositions leveraging product insights and our technology stack to drive better customer engagement and customer experiences.

Kotak Mahindra Bank Limited

Consumer Banking

We provide a wide spectrum of propositions to retail customers, small businesses, NRIs, retail institutions, government departments and entities, backed by convenient, innovative and digital-first solutions.

Product and services

Savings and Current Accounts, Term Deposits, Home Loans and Loans Against Property, Personal Loans, Consumer Finance, Business Banking, Credit Cards, Priority Banking, Small Business Loans, Private Banking, Rural Housing, Business Loans and FASTags.

Strengthening our deposits franchise

We continued to focus on growing the low-cost CASA deposits and building the term deposit book through various propositions.

We relaunched 'ActivMoney', an auto-sweep facility providing flexibility to access funds anytime which offers attractive rates on FD and penalty waiver in case of pre-closure.

We launched a 'Global Service Account', a current account specially designed to meet the unique banking needs of the Service Export Sector. Relaunched the 'Kotak Startup Current Account' with additional features such as preferential trade and forex pricing, specially curated offers, among others to help start-ups in their entrepreneurial journeys.

We curated propositions for senior citizen customers by offering Term Deposits at higher interest rates and launched 'Kotak Grand', a programme in partnership with GetSetUp to offer complimentary membership [GetSetUp is an online community for older adults (55+) aimed at meeting their needs to learn, socialise and participate in activities for individuals and groups].

Fortifying propositions for loans and credit card customers

We launched a digital co-branded Credit Cards with Myntra and PVR Inox. UPI on Credit Card was launched to provide a seamless credit card lifecycle experience. Strong growth was witnessed in the credit card loan book (44% YoY), aided by co-brand relationships and collaborations with world renowned artists.

We continued to consolidate our market share in the mortgages segment.

24% ▲
Growth in Deposits

102% ▲
Growth in ActivMoney

~90%
of the Savings Accounts opened through assisted biometric journey

20% ▲
Growth in Consumer Assets



▲ *YoY | [1]GRI 2-6*

Commercial Banking

We play a significant role in meeting financial inclusion goals and financing deep into 'Bharat'.

Product and services

Tractors, Commercial Vehicles and Construction Equipment Loans, Loans to Small and Medium Enterprises in the Agri Value Chain, Logistics and EPC segments, Microcredit Loans to women borrowers under JLG and Gold Loans to Individuals and Small Businesses.

Deepening engagement in Bharat

We witnessed a healthy disbursement growth across businesses, resulting in higher YoY market share in Commercial Vehicle, Construction Equipment, Tractor and Microcredit businesses.

We successfully launched Dairy loans for placing funds directly into the hands of farmers based on their milk revenue and crop cycles. Our customers were benefitted by 100%, digital and cashless journeys (RM assisted) as well as E-execution of loan agreements and simple vernacular documentation.

We continue to invest in technology and analytics to improve the ease of doing business and process efficiencies.

20% ▲

Growth in Commercial Banking Loan book*

#1

Tractor Financier among banks in India with a market share^ of 11.7% as on 31st March, 2024, spread over 562 districts



Wholesale Banking

Caters to a wide range of corporate customer segments, including large Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, financial sponsors including private equity funds and portfolio investors, new-age companies, small and medium enterprises (SME) and realty businesses.

Product and services

Offers a portfolio of products and services, including working capital finance, medium-term finance, project finance, trade and supply chain finance, foreign exchange services, other transaction banking requirements, custody services, debt capital markets, structured financing solutions and treasury services.

Growth in a profitable manner

We continued to witness growth momentum in acceptable credit across customer segments on the asset side. Our book is of high-quality with low credit costs. Our continued focus on non-credit income streams, such as current account deposits, foreign exchange and other transaction banking products and use of risk-return metrics like Risk-Adjusted Return on Capital (RaRoC) at a transaction level have ensured that parameters like Return-on-Equity (ROE) remain healthy even in the face of rapidly changing market conditions. We went live with multiple technology & digital projects across the product and segment spectrum in FY 2023-24.

Mid-Market

Consistent with our philosophy of growing the granular book in the Corporate Bank, this year, we created a separate focused Mid-Market vertical to better capture opportunities in this segment. The business saw good momentum with twice the number of clients being onboarded this year in this segment as compared to the previous year. The book is of high quality with majority of the book comprising working capital and flows based lending. We will continue to invest in growing this business and expect it to be among the fastest growing businesses in the Corporate Bank.

SME

We scaled up our geographic presence by entering into nine new locations while deepening our penetration in our existing markets. We employed data analytics to identify potential customers and capture higher share in the value chain of our existing larger customers. Strong risk monitoring and proactive measures helped maintain a pristine quality of the portfolio.

*▲ YoY | *Includes MicroCredit loan book | ^Tractor and Mechanization Association (TMA) website*

Business Overview

Infrastructure

We have seen significant growth in our exposure in the infrastructure sector in FY 2023-24. Our exposure has been well diversified with various sponsors such as Corporates, Private Equity and Sovereign Wealth Funds and InvITs. We have provided financing support to projects in Roads, Renewable Energy, Telecom, Data Centres, Logistics and Hospitals.

Our ability to structure, underwrite and syndicate has helped us to provide comprehensive solutions on larger financing requirements of these projects. We are also focusing on providing cash management and escrow solutions to these projects, thereby improving the Bank's non risk income. Majority of the book is of high rated sponsors and diversified across end-sectors.

We will continue to pursue the entire gamut of opportunities in the infrastructure sector with the right-sizing of risks and returns. The business undertook various processes and digital initiatives to improve its ability in serving its customers.

Transaction Banking

Kotak Fyn, an integrated portal for corporate and business banking customers encompassing collections, payments, trade and account services ramped up well during the year with significant growth seen in adoption.

We launched new initiatives on the fyn platform such as EDPMS & IDPMS* which helped in reducing the TAT for processing trade transactions by 65% and led to a growth of 13x YoY and ensuring faster regularization of regulatory submissions.

21%▲

Growth in Corporate Banking Loan Book

90%+

Infrastructure exposure with borrowers with AA- and above rating

18%▲

Growth in fund-based SME Loan book

19%▲

Growth in new-to-bank customers in SME business





Custodial Services

One of India's largest indigenous custodians in the offshore space, best known for delivering comprehensive custody, clearing and fund accounting services.

Product and services

We cater to both domestic and international asset managers, with a focus on clients from regions including the Middle East, North America, Europe, the United Kingdom, Mauritius and the Far East.

Robust capital markets - a tailwind for the business

We have seen a consistent increase in domestic flows, supported by the acquisition of PMS and Domestic AIFs. Additionally, the foreign custody segment has rebounded from last year's trends, demonstrating growth through the acquisition of new clients, including high frequency trading (HFT) clients.

We have focused our digital initiatives and product development on enhancing the capacity of our clearing platform to handle HFT transactions and have also expanded our capabilities to clear trades on various exchanges.

First Custodian to issue an FPI license to a GIFT City based fund

▲ *YoY | *EDPMS- Export Data Processing & Monitoring System and IDPMS- Import Data Processing & Monitoring System*

Private Banking

Offers a comprehensive and holistic platform spanning a gamut of financial services for UHNI and HNI clients comprising, entrepreneurs, business families and professionals; a trusted partner for client families for their diverse wealth creation and preservation needs.

Product and services

Offers a comprehensive platform covering a wide array of products and services through product partners, providers and internal group companies. These include Investment Advisory*, Investments, Family Office*, Estate Planning^ and Banking Solutions

A client first approach

We continue to serve our clients through the open architecture approach for investment products.

Our differentiated propositions like Estate Planning^ and Family Office* at a group level enables us to cater to all the needs of a client in a holistic manner. Moreover, the stability and vintage of senior management, along with Private Bankers having experience across multiple market cycles, continues to remain our strength.

Enhancing client satisfaction through bespoke experiences and offerings

We have introduced various products and propositions across segments for our clients. This year, for the Global Indian, we introduced the 'NR Programme' which offers them lifestyle and experiences, health and wellness among other benefits.

Keeping client centricity at our core, we have crafted an optimal product and services mix and engage with them regularly to meet their needs. By prioritizing technological advancements, we boost productivity, improve customer experience, increase cost efficiency and reduce turnaround times.

Our 'Live Your Purpose' brand theme drives distinctive client engagements. We have specialized service divisions for UHNI, HNI and Professionals segments to cater to the specific needs of these customers in a better manner , enhancing market reach and strengthening relationships. Through our Estate Planning^ business we offer bespoke solutions to our clients to address their succession planning needs through a combination of wills, family trusts and acting as corporate trustees during and even post the lifetime of the client. Our Multi Family office* proposition further enables us to assist our clients not only on investments but also to facilitate and co-ordinate various incidental and ancillary services by engaging with external experts for creation of asset registers, digitisation of documents, structuring, philanthropy solutions, social impact investments and immigration.

58%

Of India's top 100 families are managed by Kotak Private Banking**

Asset Reconstruction Division

Addresses potential turnaround cases and structured funding opportunities on the basis of genuine borrower profile, backed by commensurate cash flows and collaterals; also considers opportunities in the Corporate, SME and retail stressed assets space, basis strong resolution expertise built over the years.

Product and services

One of the few banks that provides vital financing required to revive stressed companies back to mainstream banking. Additionally, the Bank provides effective options to other lending institutions to exit their stressed assets by offering to buy the same.

Changing environs create opportunities

Clocked the highest-ever profitability in FY 2023-24.

Resolution of stressed accounts has gathered momentum because of effective functioning of judiciary and enforcement authorities. In an environment, where the Indian economy continues to face unpredictable headwinds due to geopolitical uncertainties, rising commodity prices and inflation, we monitor the impact and adopt various measures to resolve stressed accounts after appropriate due diligence.

14

Buyout Transactions



**Offered by Kotak Alternate Asset Managers Ltd. | ^Offered by Kotak Mahindra Trusteeship Services Ltd. | **Derived from Forbes India Rich List 2023*

Business Overview

Car and Two-Wheeler Loans
(Kotak Mahindra Prime Limited)

Provides financing to retail consumers and dealers in the passenger vehicle and two-wheeler segments, as well as retail consumers in the Loan Against Property (LAP) segment.

Product and services

Offers finance options to retail consumers for passenger cars, multi-utility vehicles and two-wheelers. Provides end-to-end financing solutions through a single window to auto dealers for their working capital and infrastructure creation requirements in the form of inventory funding and term loans. The Company also provides LAP to retail consumers for their business and personal needs.

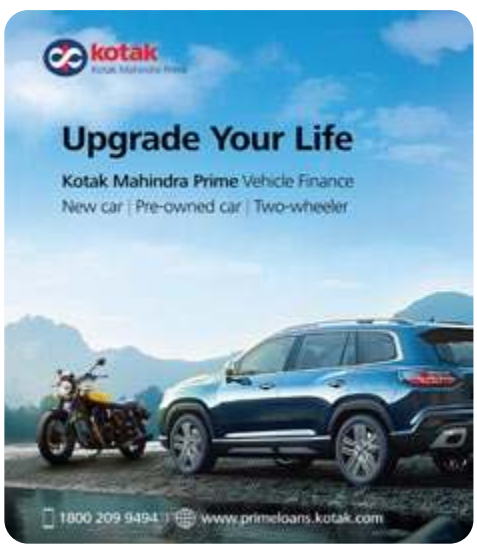
Enhancing customer experience

The business undertook various digital initiatives to improve its ability in serving its customers by:

- Upgrading the 'Collections Management System' to enhance internal collections process and adding new features like QR Code-based UPI payments and instant receipts, among others.
- Launching a 'Requests & Complaint Management System' to enhance overall customer experience.

24% ▲

Growth in Retail Auto Loan Disbursement



Lending and Investments
(Kotak Mahindra Investments Limited)

Lends to real estate (RE) and other sectors, provides structured financing and holds strategic investments.

Product and services

Lends to developers across the entire spectrum of residential and commercial. The team offers a trusted and dedicated platform with expertise in complex transactions, thereby broadening the access to capital.

Significant improvement in profitability

In FY 2023-24 profitability improved sharply on account of continued focus on residential RE market (76% of the sector exposure as at 31st March, 2024), significant increase in disbursement in both RE and non RE book leading to higher processing fee, recovery in non-performing assets and gains from investments in IPOs owing to buoyant capital markets.

28% ▲

Growth in Total Customer Assets

43% ▲

Growth in CRE (Commercial Real Estate) Customer Assets

0.07%

Net NPA on Customer Assets (0.5% as of 31st March, 2023)

Infrastructure Financing
(Kotak Infrastructure Debt Fund Limited)

Provides long-term finance to infrastructure projects that have completed at least one year of satisfactory commercial operations.

Product and services

Long-term finance (Loans as well as NCDs).

Maintaining pristine quality

We continued to be judicious about credit underwriting and selection of customers resulting in nil delinquency in the entire book, indicating quality of the book built.

₹ 1,306 Cr

Customer Assets, up 33% ▲

▲ *YoY*

Stock Broking
(Kotak Securities Limited)

Full service broker offering services to retail and institutional investors across Indian capital market.

Product and services

Retail broking arm offers wide array of services and products, including investment and trading in equities, derivatives (equities, commodities, currency) and mutual funds; also provides research services, Margin Trading Facility, depository services and distribution of third-party products such as insurance.

Institutional equities arm offers wide array of services, including a full spectrum of comprehensive research and advisory services, corporate access as well as trade execution across cash, futures and options. We're also the leading institutional broker in India for IPOs, block trades, qualified institutional placements, companies' share buybacks and offers-for-sale.

Digitizing trading and investing experience and providing value to retail segment

Our new-age tech platform Kotak Neo equipped with cutting-edge features and tools to enhance our clients' trading and investing experiences, contributed 89% of all the traded orders for the firm for March 2024. 97% of all new accounts opened in March 2024 were on the Kotak Neo platform. We saw 55% (YoY)^ growth in trading volume through the Kotak Securities Mobile App. These data points underscore the trust and confidence our clientele place in our platform and our offerings.

We launched the 'Trade Free Pro Plan', offering one of the best pricing plan in the industry for Margin Trading Facility (MTF) and equity delivery brokerage. Our digital-only Trade Free Plans played a significant role in client acquisition, by collectively accounting for 50% of our all newly opened accounts for FY 2023-24.

India's dominant institutional broker

We executed 55 equity capital market transactions in FY2023- 24 including 39 block deals worth more than USD 7.0 billion. Our Research coverage spans 263 stocks, representing 75% of India's market capitalisation. We added 65 new institutional investors (global and local) in FY 2023-24.

₹ 1,226 cr

Highest Ever Profit After Tax in FY 2023-24

11.8%

Overall Equity Market share*

12.6%

Equity Derivative Market Share*



Investment Banking
(Kotak Mahindra Capital Company Limited)

Leading investment banking firm with leadership across equity capital markets and advisory.

Product and services

Capital markets and advisory services.

Predominance in capital markets

We successfully completed 45 equity capital market (ECM) transactions, including 13 IPOs, 5 QIPs, 2 OFS and 1 Rights Issue in FY 2023-24. We led several marquee transactions such as the IPO of Mankind Pharma (₹ 4,326 cr), first ever combined QIP of equity and CCD through a single document of Cholamandalam Investment and Finance Co. (₹ 4,000 cr). We also advised on a diverse array of 10 M&A transactions across a range of products and sectors, with a total deal value** of USD 4.0 billion.

#1 Ranking in ECM transactions for FY 2023-24[#]

*^Based on notional turnover for futures of all segments and premium turnover for options of all segments | *Retail and institutional market share after excluding proprietary segment. Based on notional turnover for equity futures and premium turnover for equity options segment .| **Total deal value does not include the transactions where value is not disclosed | [#]source:Bloomberg*

Business Overview

Life Insurance
(Kotak Mahindra Life Insurance Company Limited)

Offers a wide range of life insurance solutions under individual and group platforms through a multi-channel distribution network. With a customer-first approach, the Company offers enhanced propositions across the value chain from policy purchasing, to servicing, to claim settlement.

Product and services

Offering a diverse range of products across multiple platforms - Savings, Protection, Investment, Health and Annuity, tailored to meet the needs of all customer segments at different life stages. Ensuring an omni-channel experience across the entire value chain, with immediate resolution of servicing requests.

Protection and wealth creation

Some significant new launches for the year were:

T.U.L.I.P - Term with Unit Linked Insurance Plan

We launched T.U.L.I.P, one of our flagship offerings - a fusion of protection and wealth creation product providing the customer with life coverage plus investment in equity markets. For long-term commitment, the product T.U.L.I.P rewards loyal investors with benefits of returning 2X of premium allocation charges, up to 3X of mortality charges and also offers loyalty additions.

Kotak Mid Cap Advantage Fund

We launched the 'Kotak Mid Cap Advantage Fund' across 6 ULIPs to further enhance our fund basket and ULIP propositions. Since its inception in September 2023, this fund has achieved an Assets Under Management (AUM) of ₹ 294 crore as of 31st March, 2024.

Kotak GAIN – Get Assured Income Now

We introduced Kotak GAIN (Get Assured Income Now), a comprehensive offering providing life coverage until the age of 85 years with flexible benefit options for customers such as -

- 'Early Income', for regular income benefit starting as early as 1st policy month / 1st policy year.
- 'Paid-up Addition,' where bonuses are utilized to purchase additional sum assured and enhance policy benefits.
- 'Premium Saver,' where the guaranteed loyalty additions will offset the last two premiums.

15.6% ▲
Growth in Gross Written Premium (GWP)

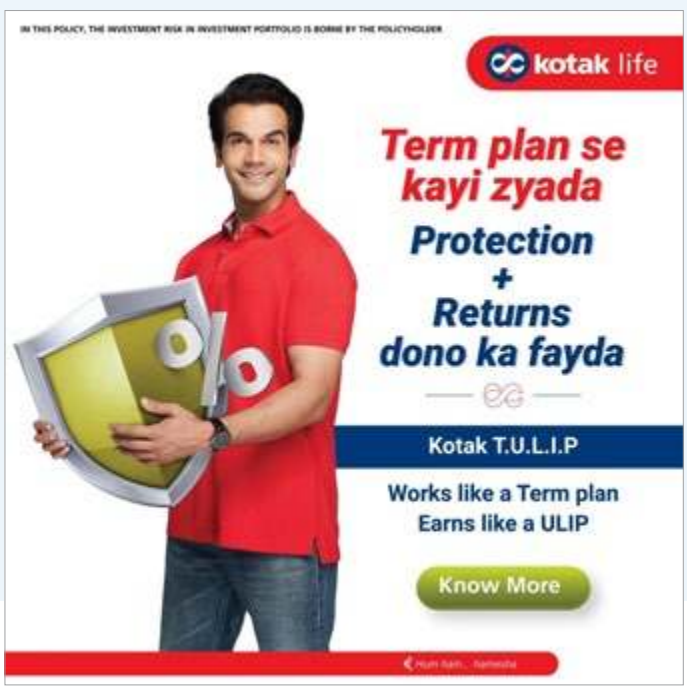
28.5%
Value of New Business (VNB) Margin*

25.6% ▲
Growth in Assets Under Management (Policyholders') at ₹ 74,322 cr

21.8% ▲
Growth in Indian Embedded Value* at ₹ 15,242 cr

87.5%
13th Month Persistency^

32.7%
Protection share of Total New Business Premium



**Computed based on the principles prescribed by APS10. The methodology, assumptions and results have been reviewed by Willis Towers Watson Actuarial Advisory LLP / ^Regular Premium/Limited Premium Payment under Individual category for period ended 31st March, 2024*

General Insurance

(Kotak Mahindra General Insurance Company Limited*)

Caters to the growing non-life insurance needs of individual customers and businesses.

Product and services

Provides a wide range of general insurance products from motor to health, home and commercial insurance, addressing emerging consumer needs and segments.

Securing our customers non-life Insurance needs.

With our well diversified product mix (Motor: 47%, Health: 43%, Commercial: 10%), we had recorded a topline growth of 40% YoY with a 67% YoY growth in the digital business. We continued to focus on the business quality, resulting in improved loss ratio to 65.6% versus 69.5% in FY 2022-23

In line with our enduring philosophy of customer centricity, our Net Promoter Score (NPS) stands at +47 for FY 2023-24, up from +37 in last year. To encourage more women to drive, we continued to invest and promote our women-centric initiative #DriveLikeALady by providing a special pricing on car insurance. To address the emerging needs of our customers, we had launched multiple products like travel insurance, wallet insurance, gadget insurance and credit-linked insurance policies.

43% ▲

Growth in Health Portfolio

32% ▲

Growth in Assets Under Management (AUM)

99%

Claim Settlement Ratio for Motor Insurance

97%

Claim settlement ratio for Health Insurance

Mutual Fund

(Kotak Mahindra Asset Management Company Limited)

Serves investor requirements across active as well as passive funds on a continuing basis, focusing on the local as well as offshore markets across debt, equity and commodities segments for retail and institutional investors. Offers schemes that cater to investors with varying risk-return profiles. We are India's first signatory to the PRI - supported by the United Nations.

Product and services

Diversified product portfolio across a wide range of equity, debt, exchange-traded funds (ETFs), index funds and overseas funds.

Strengthening presence in the market

We launched an investor awareness and education initiative – 'Seekho Paiso ki Bhasha', which was recognized by the Asia and India Book of Records. We witnessed an overwhelming level of participation by 59,000+ CBSE Teachers covering 100+ locations via 990+ Investor Awareness Programmes.

We witnessed a 23% YoY increase in a cumulative SIP count and 20% YoY growth in the number of unique investors.

5th Largest fund house

in India in terms of QAAUM as on 31st March, 2024

7.33%

Market share in QAAUM (FY 2018-19: 6.14% and FY 2015-16: 4.32%)



▲ *YoY | *Kotak General Insurance has ceased to be a wholly-owned subsidiary of the Bank on 18th June, 2024 and the Bank now holds the remaining 30% of the share capital of Kotak General Insurance.*

Business Overview



Pension Fund
(Kotak Mahindra Pension Fund Limited)

Authorised as a pension fund management company under the National Pension System (NPS). Managing nine schemes across asset classes.

Product and services

Pension fund management

Earning your trust

We are among the top two best-performing equity funds in the industry (NPS Tier 1) over a 5-year period as of 31st March, 2024 and among the top two best-performing government securities funds in the industry (NPS Tier 1) in the 1 & 3-year period as of 31st March, 2024.

65%▲

Growth of Assets Under Management (AUM)

Source: NPS Trust website

Alternate Assets
(Kotak Alternate Asset Managers Limited*)

Diversified multi-asset investment manager providing private capital to Indian companies and advising discerning family offices and HNIs on asset allocation.

Product and services

We manage/advise funds across six verticals (Private Credit, Real Estate, Private Equity, Infrastructure and Investment Advisory) - led by independent investment teams. In addition, for retail investors, we have a 100% digital investment platform called Kotak Cherry.

Leading diversified multi-asset investment manager

We received new capital commitments of ~ ₹ 4,951 crore across various funds and strategies, of which, ₹ 1,452 crore was raised for Kotak Strategic Situations India Fund II, which focuses on providing solution capital across growth and value companies.

Our advisory team was able to tap into the growing acceptance of fee-based, investment advisory model, which creates customised investment portfolios in line with the return requirements and risk appetite of clients. The investment advisory business crossed a significant milestone of ₹ 1,00,000 crore of assets under advice. Kotak Optimus (multi manager, multi asset) and Kotak Iconic (multi manager equity only) portfolio solutions manages ₹ 4,849 crore

We launched 'Kotak Selekt', a digital investment advisory offering for clients in the ₹ 5 crore to ₹ 50 crore segment.

We enhanced the features and scaled up Kotak Cherry, a 100% digital investment ecosystem providing investment products such as mutual funds, stocks, bonds and mutual fund baskets (launched in FY 2023-24) for its customers' convenience.

USD 9.4 bn

Total capital raised since inception



▲ *YoY | *Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)*

International Business

[Kotak Mahindra (International) Limited
Kotak Mahindra (UK) Limited
Kotak Mahindra Inc.
Kotak Mahindra Asset Management (Singapore) Pte Limited
Kotak Mahindra Financial Services Limited]

Offers financial services across our offices in Singapore, London, New York, Dubai, Abu Dhabi and Mauritius.

Product and services

Offerings include India bound Asset Management, Investment Advisory and Alternate Assets; India bound Institutional Equities and Prime Brokerage; Global Bond Trading and International Wealth Management.

Promoting the India narrative internationally

Our international businesses recorded its highest AUM (assets managed/ advised) during the year on account of net inflows into funds as well as positive movement in capital markets in India. Our India Midcap Fund with an AUM of ~USD 3.8 billion continues to be the largest (source:-Bloomberg) India-focused offshore fund (actively managed with daily liquidity).

USD 6.2 bn

Assets managed/ advised





Microcredit

(Kotak Mahindra Bank Limited, BSS Microfinance Limited and Sonata Finance Private Limited)

Offers loans to borrowers belonging to underserved households mainly for income generating activities primarily in allied agri and micro enterprises. Also, provides credit facilities to NBFC-MFIs and NBFCs for onward lending and investing in securitised papers for loans originated by NBFC-MFIs.

Product and services

Primarily caters to women borrowers leveraging the network of business correspondents (mainly BSS Microfinance) to offer products designed to augment income generation and improve quality of life of customer households.

Supporting financial inclusion

With the acquisition of Sonata Finance in March 2024, our microcredit footprint has expanded to 1,400+ BC branches across 16 states making Kotak Mahindra Bank a national player.

We directly funded close to 27 lakh women customers through small ticket unsecured loans for micro enterprises and allied agriculture activities.

60%▲

Growth in Retail Microcredit Loan Book *(including Sonata Finance acquisition)*

1,418

Branches of BSS Microfinance + Sonata Finance catering to rural and semi-urban markets

▲ *YoY*

Digital

Digital endeavours to remain future ready

Customers choose the way they communicate with us and we have always believed that the Indian customer is technologically literate. To serve them better, we have over the last few years, committed resources to improve our resiliency and latency, enhanced our UI and UX and built digital journeys. To enhance the usability for our customers, we have focused on leveraging the India digital stack to unlock the value that these initiatives can create, complimented by our data analytics resulting in superior propositions.



Kotak Mahindra Bank Limited

Consumer Banking

Our customers expect us to deliver fast, friendly and reliable experiences in their onboarding, transaction banking and investment journeys with us.

These expectations are the setting stones of our ambition of 'providing convenient access to a wide range of financial products and services to our customers'. We believe a large part of this vision is powered by technology.

Last year, we started to build a new foundational platform that will enable us to offer a best-in-class digital banking experience to our customers in FY 2024-25. Additionally, we focused on the following priorities:



1 Actively participating in DPI initiatives

In the fiscal year 2023-2024, we continued to innovate and leverage technology to enhance digital payments experience. We reimagined the 'Scan Any QR' payments experience with a focus on speed, security, easy navigation and launched an upgraded version with features like - generate QR for receiving payments, upload QR from gallery for making payment, flashlight option in QR code scanning and easy redirection to 'Pay Your Contact'. These measures have enhanced usability of the service and contributed to 163% growth in UPI transaction volume from Mobile Banking App (Q4FY24 vs Q4FY23).

We introduced several innovative features in Unified Payment Interface (UPI), enhancing functionality and user experience. Key launches include, Rupay credit card on UPI and UPI Lite X to conduct small-value transactions without internet connectivity. We conducted a comprehensive campaign educating customers on the benefits of UPI.

We took several initiatives to fuel the growth of Digital Currency (CBDC)-Retail transactions. This includes easy redirection from mobile app to digital rupee app and through several customer campaigns and customer awareness drives.

2 Driving digital engagement

Our current mobile banking app continued to be among the top-rated banking apps on both iOS and Android platforms with 280+ features. Last year, we enhanced the banking and payments experience resulting in higher customer engagement. We enhanced several UPI features, revamped journeys for FD/RD, one view of the networth, InstaSIP, forex remittances in app and credit card spends tracking. We enabled our customers to grow their savings by services such as ActivMoney, invest in mutual funds, via the mobile app.

26.5% ▲
Growth in 30D digital Active Users

72% ▲
Growth in UPI Remittance Volume

68% ▲
Growth in Transaction Volume on Mobile App

126% ▲
Growth in UPI In-app Volume

3 Reimagining the digital experience

Earning and preserving trust of customers is our #1 goal. We believe that this trust will help us deepen our relationship with them. We are prioritizing DIY journeys to acquire and grow customer holding of multiple-products and address the customers' needs better. While we are pleased with the steady improvements in our customer experience metrics, we are always seeking opportunities to improve our service to them.

While we recorded steady growth in customers transacting and raising service requests on the current app last year, our engineering team is busy solidifying the tech foundation and building next-generation mobile banking app with several customer delight features. In Q4FY24 we have commenced deployment of our new Mobile Banking App (Beta version in both iOS and Android) – marking a crucial stride towards bolstering resilience and in-house development.

27% ▲
Growth in Non-financial Transaction Volume



▲ *YoY*

Digital

Kotak811

Aspiring to be full stack digital banking proposition, Kotak811 launched its own app and premium offering. To make it the best, Kotak811 also on-boarded ~100 engineers to build everything in-house.

The Bank in your Phone: Payments, Savings, Credit Cards and more

Launched in March 2024, the Kotak811 App brings the cornerstone of banking – savings, payments, credit cards, investments – onto one platform. Designed to be payment-first app, given the affinity of the Indian customer for digital payments, the app facilitates and rewards UPI payments.

Rating of the App (as of 31st March, 2024)

4.6 Play-store

4.7 Appstore

Launched 811super : A premium savings account

In FY 2023-2024, Kotak811 launched its first premium savings account, 811super, designed to attract and service high-value customers with exclusive benefits and support mechanism.

2.36 cr
Kotak811 Savings A/c^
35% ▲

38% ▲
Growth in Deposits

1.25 cr
Paid Debit Cards^^
34% ▲

52% ▲
Growth in Savings A/c throughput^^^

Commercial Banking

The business undertook various process improvements and digital/ tech initiatives to improve its ability in serving its customers, such as, straight through process (STP) in small CV segment and Chat functionality via WhatsApp, among others for faster redressal of service requests/queries.

We also initiated Salesforce based Loan Origination System (LOS) for vehicle businesses, implementation of Central Repossession Auction process for better transparency and control over resale process, among others.

Further, we implemented the digital pay-out system that provides seamless, transparent system for our dealer partners in the eco-system and revolutionised the MIS Reporting with modern dash boarding capability that automates analytics.

Wholesale Banking

On the supply chain side, digitisation enabled linkage capabilities were initiated with counterparties for seamless financing including auto settlement. On the acquiring business side, we are helping merchants accept transactions from foreign card holders with the focus to grow this offering. An all new payments platform was introduced with enhanced UI/UX resulting in increasing the transaction speed by 7X, thereby improving customer experiences.

We were among the few banks to launch eBRC in partnership with DGFT to provide direct Bank Realisation Certificate (BRC) issuance capability to customers on the realisation of export proceeds. We also launched eBG solution along with NeSL, enabling complete digital journey for Bank Guarantee issuance.



▲ *YoY | ^Savings Account refers to Live Full KYC Accounts only | ^^Paid Debit Card (physical DC) includes all cards sold to 811 customers | ^^^Throughput includes both credit and debit transactions*

Retail Stock Broking

(Kotak Securities Limited)

Adding convenience for trading and investing with launches and enhanced digital features:

We launched 'InstaTrade', comprehensive trading solution providing access to Charts, Option Chain, Positions, Orders and P&L – all on one screen.

We launched 'Neo Mutual Fund platform' with simplified user journeys, offering greater accessibility and convenience to our valued clients.

We launched 'IPO Module' to enhance order journeys and expedite processing of IPO applications for a smoother experience.

We launched 'Sipit', a long-term investment product that enables SIPs in individual stocks and ETFs, allowing customers to systematically invest a pre-specified amount / quantity of shares over a predefined frequency. Within eight months of its launch, we had processed 1 lakh+ SIPs through this feature.

We implemented 'Salesforce' to enhance customer servicing, aiming to smoothen resolution of service requests.

We revamped our pre-login website featuring a modern UI/UX design and transitioned to cloud based architecture powered by a next generation headless content management system (CMS) at the backend.

Life Insurance

(Kotak Mahindra Life Insurance Company Limited*)

In our unwavering commitment to streamline processes and elevate customer experiences, we have digitized the end-to-end onboarding journeys by Integrating CKYC and Account Aggregators, which have resulted in faster Issuance of non-medical policies, with 37% of policies being issued in three hours and 68% in one day#.

We have enabled 24 service offerings and claim status tracking on WhatsApp, ensuring prompt and efficient resolution of queries and requests. Through these digital initiatives, over 5 million customer servicing transactions, representing 78% of total servicing transactions were seamlessly processed.

Usage of Advanced Data analytics for persistency management by leveraging predictive modeling and customer segmentation led to 2.3% increase in 13th Month persistency, reaching 87.5% in FY 2023-24.

Leveraged the learnings from data analytics on claim experience in onboarding of new business and underwriting process for better risk management.

We implemented dedicated portals with End-to-End (ETE) tracking from intimation to payment for both individual and group claim processing (Individual: IndiClaim and Group: Express Portal), ensuring a seamless and trackable experience for the customer.

Claim processing enabled on portals - 32% of MFI claims are processed in 0 day and 76% within a day.

Boost 360 App - A super-app for advisors, partners and Front Line Sales (FLS) for pre and post-sales activities; 95K+ users registered.

100%

of our individual agents are on-boarded on KLI Recruit App

General Insurance

(Kotak Mahindra General Insurance Company Limited*)

We expanded our digital footprint and reach by entering partnerships with leading fintech and digital platforms. We launched a new automotive claims and collision repair estimation platform for our partners to enable them to provide faster claims settlement to our customers. We had automated 45% of our do-able service requests in FY 2023-24 by implementing Voice bot on our IVR to provide 24/7 self-service options.

Striving for enhanced customer interaction and servicing, we had also launched AI-based Chatbot, enhanced our GIA Web and WhatsApp Bot by offering few fully managed services.

Mutual Fund

(Kotak Mahindra Asset Management Company Limited)

Streamlining and simplification of our transaction user journeys in FY 2023-24 led to a -

24%▲

Growth in the Online Investors' base

47%▲

Increase in AUM from Online Investors

22%▲

Growth in Distributor User's base

23%▲

Increase in Distributor Initiated Transactions on our Business Hub (Distributor Portal)

*▲ YoY | #One working day | *Kotak General Insurance has ceased to be a wholly-owned subsidiary of the Bank on 18th June, 2024 and the Bank now holds the remaining 30% of the share capital of Kotak General Insurance.*

Technology

Strengthening our technology backbone

Our Technology team has been diligently implementing an aggressive risk-based approach to enhance resilience, governance, risk management, security and automation of our Bank's IT systems. Elevating overall customer experience has been at the core while ensuring stability and security of our operations.

This is being achieved via efforts around the following three levers:

1 IT Resilience and Capacity

The Bank has taken several steps to augment its capacity, strengthen IT resilience, IT infrastructure including network devices and apps to withstand potential disruptions and ensure seamless service availability. A few key initiatives taken herein are:

- Upgradation and/or replacement of EOL (End of Life) devices, for e.g. operating systems and databases, network switches and routers before they can cause any security or performance issues.
- Our customer service platform, 'Seibel' reached its EOL and hence, we moved to Salesforce to improve performance, increase scalability, enhance security and reduce costs.
- We scaled our Disaster Recovery (DR) site to make them capable of handling production like workloads.

2 Governance, Risk Management and Security

The Bank has been implementing effective governance frameworks to oversee IT operations and ensure alignment with business objectives. Adopting a proactive approach to identify, assess and mitigate risks associated within our systems and operations and therein enhancing security measures to protect sensitive data and mitigate cyber security threats.

- We resolved critical and high internet facing vulnerabilities in our IT systems.



- We established Network Access Control (NAC - restricting unauthorized users and devices from gaining access to the Bank's network) – covering more than 60K end points.
- We integrated Critical Payment Systems to a security solution called SIEM (Security Information and Event Management) that helps us detect threats before they disrupt business.
- We replaced our old IT Service platform with a modern platform 'Service Now' that helps us define, manage, automate and structure IT services - allows us to raise and track tickets as well as process and catalogue regular IT service requests.

3 Build out of Internal Software Development Capabilities leading to better software quality and automations

We on-boarded 537 engineers between April 2023 to March 2024 enabling greater control and ownership in delivering faster, cheaper and better solutions for internal and external customers. Building this in house engineering capability has enabled us in automating and streamlining processes, improve efficiencies, improvise better data outputs and reduce manual interventions and potential errors.

Deployment of new eMBark platform, marks a critical stride towards bolstering reliance and inhouse development. Additionally, more than 25 apps were built on the cloud this year using Cloud 2.0 principles and governance, such as eMBark, RTS, ROS and Call Audit Platform.

Significant progress has been made across the above three levers and these will continue to be under focus and priority to further create a robust technology backbone for our Bank with an ultimate motive to enhance our customer experience and satisfaction. Bank has made significant customer visible improvements resulting in customer NPS improvements indicating the Bank's commitment to put the customer first.

Data Analytics

We have deepened our use of machine learning in various decision points in our businesses from deciding asset offer eligibility to marketing/propensity to driving efficiency in collections through digital programmes. This has led to significant expansion in data-driven business across various verticals from consumer to business loans to commercial bank. Some of our flagship solutions this year include risk model for loan eligibility, card behaviour score, mule detection and propensity/affinity models which increased efficacy/impact of the underlying programmes by over 30%. We are building an end-to-end solution stack that includes ability to integrate internal, bureau and alternate data sources, deep mining of customer transactions and real time modeling, rules deployment through cloud based platform with rules engines. We are modernizing our data stack by enhancing our cloud data platform, data quality coverage, data consumption tools and building ML Ops framework for faster deployment and model governance.

Customer Service Efficacy and Unified Onboarding Journeys for Customers

Launched a cutting-edge unified service platform 'K-Force' on Salesforce that substantially improved the operational efficiency and customer experience by centralising information and simplifying SLA tracking and measurement across customer servicing teams, branches, call centres and operations. This resulted in benefits of capturing customer interactions and creating service requests seamlessly, reduced the need for manual handling, along with complete automation of key high-volume service requests, resulting in superior servicing.



Talent

Driving growth through people excellence

At Kotak, we recognize that our people are the driving force behind our success. As we navigate the ever-changing business landscape, nurturing and empowering our talent pool is of utmost importance. Our approach to talent transformation is rooted in fostering an environment that encourages innovation, collaboration and continuous development, enabling our workforce to thrive and excel.



Talent Acquisition

Building a Future-Ready Workforce

For FY 2023-24, our Talent Acquisition Strategy remained focused on making Kotak a future-ready organisation with concentrated efforts directed towards building talent pipeline. The Kotak Mahindra NextGen Bankers Programme in collaboration with the Manipal Academy of BFSI is an ideal launch pad for ambitious and aspiring youth, equipping them with the skills for growth and success in their banking career.

We have amplified our fresher intake from STEM (Science, Technology, Engineering and Mathematics) campuses, implemented off-campus hiring through Hire, Train and Deploy Programmes and increased lateral hiring from top-tier tech organizations.

A key aspect of our hiring strategy is to cultivate a young, agile and tech-savvy workforce, better equipped to drive digital transformation and enhance customer experiences. Our efforts to recruit women have led to a more diverse and inclusive workforce.

Talent Management

Fostering a Culture of Continuous Learning

At Kotak, we excel at creating a high-performance environment that fosters innovation, collaboration and continuous development. In FY 2023-24, we launched a new-age learning management system 'Kotak MyLearn' and introduced 'Refueling Hours,' enabling colleagues to dedicate time to personal and professional growth.

To democratise learning and build a future-ready workforce, we launched the third edition of the highly successful Learning A-Fair. This virtual event brought together Thought Leaders, Influencers, best-in-class Facilitators and Celebrities, who interacted with colleagues through a metaverse platform.

The Bank also launched the 5th cohort of Quantum Leadership, a senior leadership programme aimed at developing strategic thinking while dealing with a disruptive environment. Coaching Connects were introduced for senior leaders, supporting them in navigating current challenges and preparing them for future roles.

With an aim to develop the leadership capabilities of our 150 mid-level high-performing talent, the Bank launched an Executive Education programme in collaboration with the IIM campuses to develop the Bank's mid-level talent. The programme has garnered great feedback from the cohort with them appreciating the curriculum, teaching methodology, mentorship and networking opportunities.

Our flagship programmes, Kotak Young Leader Council (KYLC) and DRONA, provide unique opportunities for young managers to work with senior leaders as mentors, co-create innovative solutions and enhance their managerial capabilities.



Talent Engagement

A Strategic Priority

In January 2024, Talent Engagement was established as a strategic priority for the Bank and its leadership team. To guide our approach, we introduced five pillars and took initial steps in this direction.

1

The Best of Kotak for Kotakites: It is the Bank's endeavour to enhance the proposition from a corporate salaried segment perspective to ensure the best we would offer to any external customer. As a first step, we launched a 'Staff Home Loan Policy' effective from April 2024 and incorporated the best of our Corporate Salary propositions for colleagues.

2

People Development: To ensure specific focus on the development and growth agenda for identified talent personas that include Leaders, KWWs (Kotak Wonder Women), Hi-performers, branch managers, specialist/ niche talent, new hires and a common minimum for the rest.

3

Building a Culture of Appreciation: The aim is to continue to celebrate and reward outstanding performances and contributions, with greater consistency of experience across the Bank.

Our Rewards and Recognition platform- K-Applaud cultivates an appreciation culture. Various recognition programmes, such as Cheers for Peers, Kotak DNA Awards, SPOT and Heavy Lifters Rewards and Kotak Infinity Awards, further recognize and reward the exceptional contributions.

4

Transparent Communication: Our intent is to strengthen the agenda on communication and communication channels and make it an ongoing habit by leaders This includes regular update emails from CEO/CHRO/other CXOs, periodic townhalls, and the planned launch of a new intranet for colleagues.

5

Colleague Value Proposition: Aimed at enhancing the purpose and pride of what it means for every colleague to work with Kotak, with a specific focus on the target talent personas.



Colleague- refers to all employees on full time (permanent and fixed term contracts) and part time roles.

Key Performance Indicators

Delivering value with commitment

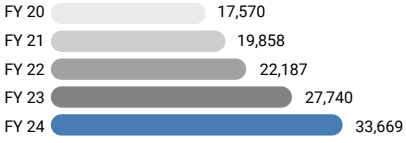
All numbers are on a consolidated basis except where stated

Profit & Loss

Our Net Interest Margin (NIM)* is driven by our risk-adjusted pricing and stood at 5.3% for FY 2023-24.

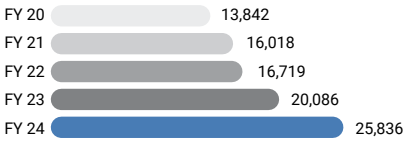
Net Interest Income
(₹ in crore)

CAGR 18%



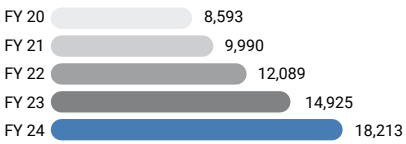
Operating Profit
(₹ in crore)

CAGR 17%



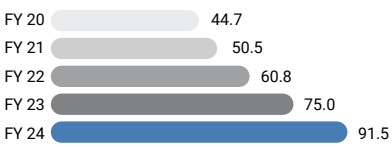
Net Profit
(₹ in crore)

CAGR 21%



Basic Earnings Per Share (EPS)
(₹)

CAGR 20%

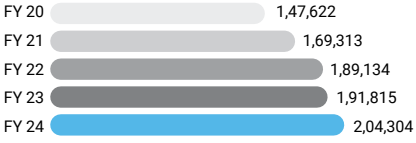


Operational

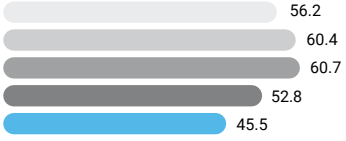
A high CASA ratio has significantly contributed in lowering our cost of funds and enabled the engine to grow the asset book.

Current Account and Savings Account (CASA) Balances (Bank standalone)
(₹ in crore)

CAGR 8%

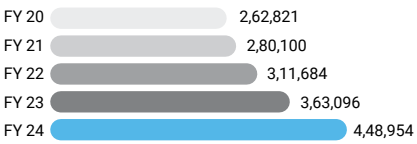


CASA
(%)



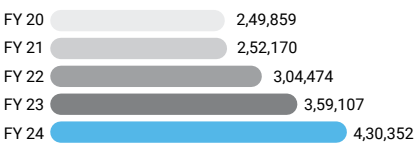
Deposits (Bank Standalone)
(₹ in crore)

CAGR 14%



Advances
(₹ in crore)

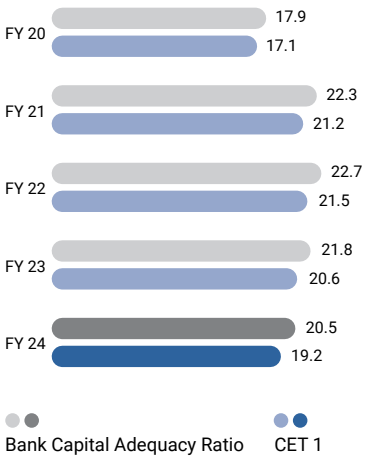
CAGR 15%



Balance Sheet

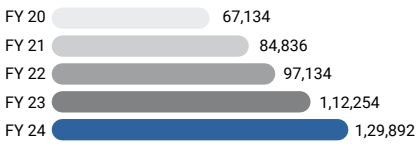
With a capital adequacy ratio of close to 22%, we are positioned attractively to support our growth aspirations.

Bank Capital Adequacy Ratio and CET1
(%)



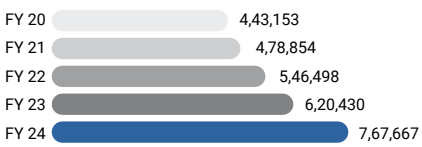
Capital and Reserves and Surplus
(₹ in crore)

CAGR 18%



Total Assets
(₹ in crore)

CAGR 15%



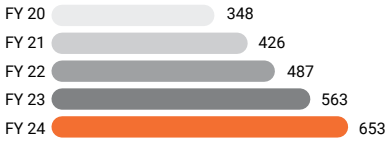
*4-year CAGR | *excluding dividend and interest on income tax refunds*

Valuation Metrics

Our commitment to shareholder value creation is reflected in our sustained growth in book value per share.

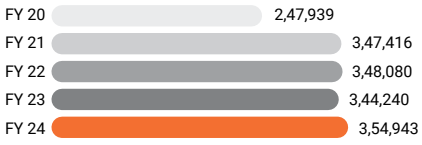
Book Value Per Share
(₹)

CAGR 17%



Market Capitalisation
(₹ in crore)

CAGR 9%



19.5x
Price-to-earnings (P/E) as on 31st March, 2024

2.7x
Price-to-book (P/B) as on 31st March, 2024

2.66%
Return on Assets (RoA) for FY 2023-24

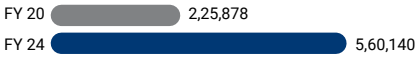
15.08%
Return on Equity (RoE) for FY 2023-24

Group Companies

Our subsidiaries and associates contributed 24% of the consolidated Profit after Tax (PAT) for FY 2023-24, reflecting the diversity of our business model.

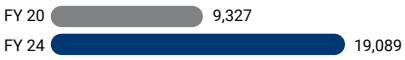
Total Assets Under Management
(₹ in crore)

CAGR 25%



Kotak Securities – Average Daily Volume (ADV)^ (₹ in crore)

CAGR 20%



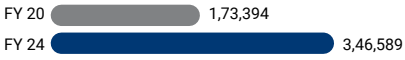
Kotak Life Insurance - Gross Written Premium (₹ in crore)

CAGR 14%



Kotak Mahindra Asset Management – AAUM# - Overall (₹ in crore)

CAGR 19%



ESG**

Promoting environmental sustainability, employee empowerment, good governance and responsible resource management for long-term growth.

Environment

₹ 6,000 cr+
Green asset book* as of 31st March, 2024

12 LEED/IGBC
Certified offices

7%+
Share of renewable power used by the Bank is from renewable sources

2.6x
Renewable power used compared to previous year$

Social

22%
Increase in Bank's customer base

26.2%
Gender diversity at the Bank

15%
Of the Bank's workforce operates out of six ISO 45001:2018 certified offices

~27 lakh
Active microcredit women borrowers for the Group as of 31st March, 2024

₹ 320 cr+
Total CSR expenditure (Group)##

8.2 lakh+
CSR beneficiaries for the Group

Governance

64%
Independence of the board&

27%
Board gender diversity&

ISO 27001:2013
Certified cybersecurity operations

23%
Purchases by value from MSME vendors at the Bank

Code of Conduct for service providers is integrated in service agreements

*4-year CAGR | ^KSEC ADV is computed based on the revised disclosures by NSE from April'23, accordingly previous period numbers are recomputed. | #Average assets under management | *as per green activities/projects indicated in RBI's 'Framework for acceptance of Green deposits' issued in April, 2023. | $This data also includes energy consumed at Bank premises shared with a few subsidiaries | ##including transfers to Unspent CSR Account, administrative overheads and impact assessment | &as on the date of publishing this report | **The performance is indicated for the Bank wherever it is not mentioned specifically*

Awards and Accolades

Recognition of Excellence

Recognition for Business Excellence

Kotak Mahindra Bank

- **Best Mid-sized Bank** by Mint BFSI Summit & Awards
- **Best Bank Treasury FX Risk Management Award** by India Treasury Summit & Awards, 2024
- **Best Transaction Bank in India, Best Cash Management Bank in India and Best Business Ecosystem Initiative - Fusion Cash Management** by The Asian Banker Transaction Finance Awards, 2023
- **Award for Corporate Banking Innovation: Digitization of Supply Chain Finance** by Infosys Finacle Innovation Awards, 2023
- **Best Digital Channel/ Platform Implementation: Most Impactful Project for Kotak fyn** by IBSi Global FinTech Innovation Awards, 2023
- **India's Best for Philanthropic Advisory** by Euromoney Global Private Banking Awards, 2024
- **Best Private Bank in India** by PWM/The Banker Global Private Banking Awards, 2023
- **Best Private Bank, Highly Commended in India** by The Asset Triple A Private Capital Awards, 2023

Kotak Investment Banking

- **India's Best Investment Bank Award** by Asiamoney Best Bank Awards, 2023

Kotak Life Insurance

- **Customer Experience Team of the Year Award** and **Digital Experience Strategy of the Year Award** by CX Strategy Summit & Awards, 2024
- **Leader in Customer Engagement Initiative in Customer Service Management** by 4th Elets BFSI Game Changer Summit, 2023

Kotak Alternate Assets Management

- **Best Performance of The Year: Real Estate Fund** by Indian Venture and Alternate Capital Association (IVCA)

Recognition for Employee Excellence and Learning Initiatives

- **Uday Kotak** honoured with **Lifetime Achievement Award** by **BT-KPMG Best Banks Awards**, **Forbes India Leadership Award for Institution Builder** and **AIMA Lifetime Achievement Award for Management**
- **Shanti Ekambaram** was recognised in **India's Most Powerful Women in Business 2023 - Fortune India** and **India Today She List - Top 100 Women Achievers of India**
- **Paritosh Kashyap** honoured with **CA Business Leader Award in the Large Corporates, BFSI Segment** by **Institute of Chartered Accountants of India (ICAI) Awards**
- **Lakshmi Iyer** was conferred the **Forbes India Self-Made W-Power Award 2024**; featured among the **Most Promising Business Leaders of Asia** by Asian Business Leaders Conclave 2024 and recognised as **India's Impactful CEO** by Times Now
- **Sandeep Chordia** recognised with **CA CXO Award** in the Mid Corporates, BFSI Segment by Institute of Chartered Accountants of India (ICAI) Awards and featured in **Top 20 CDO of the year** by QUANTIC INDIA in 4th Annual BFSI Excellence Awards 2023.
- **Rajeev Saptarshi** has been recognised as **Indian Alternative Investment Thought Leaders 2024** by Equalifi
- **Tanvi Bothra** has been featured in **40 under 40 Alternative Investment Professionals in India** by Equalifi
- **Pratik Parekh** has been featured in **40 under 40 CA Business Leaders by The Institute of Chartered Accountants of India** and featured in **40 under 40 Alternative Investment Professionals in India** by Equalifi

Recognition for Harnessing Talent and Culture

Kotak Mahindra Bank

- **Best Bank for Talent & Workforce** by BT-KPMG Best Banks Awards
- **Top 100 Best Companies to Work for 2024**, as well as **India's Best Employers Among Nation-Builders 2024** and one of the **India's Best Workplaces** in BFSI 2024 by **Great Place to Work®**.

Kotak Life Insurance

- Won the **Best Leadership Development Program (Silver Award)** and **Best Corporate University (Silver Award)** by TISS Leap Vault CLO Awards, 2023
- Won the **Best Organisation for Women 2024 Award** by ET Now

Recognition for Brand and Marketing

Kotak Mahindra Bank

- **Best Brand Awareness Campaign-Gold for #FDwalaSavings - ActivMoney** and **Best Branded Content (Single)-Gold for #AlertRaheinSafeRahein - Safe Banking** by afaqs! Digies, 2024
- **Best Integrated Campaign (Multi-channels)-Gold** and **Best Celebrity Driven Campaign-Gold for #FDwalaSavings - ActivMoney** by e4m Impact Digital Influencer Awards, 2023
- **Best digital influencer-Bronze for Father's Day campaign** by e4m DigiOne
- Was recognised for **Outstanding Marketing Initiative of the Year** by ETBFSI Excellence Awards, 2023

Kotak Securities

- Won **Customer Engagement Campaign of the Year Award** at ASSOCHAM
- Won **Best Use of Data Analytics in Marketing Award** at ASSOCHAM
- Won **Most Effective Launch / Relaunch campaign Award, Most Effective Marketing Campaign - Online Trading Platform Award and Most Effective Performance Marketing Campaign Award** at Pitch BFSI Marketing Awards, 2023

Kotak Life Insurance

- Won **D2C Brand Campaign of the Year Award** at Indian Television DMEA – Digital Media Excellence Awards, 2024

Kotak General Insurance

- Won top honours at Pitch BFSI Marketing Awards 2023
  - **GOLD** - Most Effective Customer Engagement for Kotak Meter
  - **GOLD** - Most Effective Use of Apps for Kotak Meter
  - **GOLD** – Most Effective Content Marketing Strategy for #DriveLikeALady campaign
  - **GOLD** - Most Effective Mobile Campaign for Road Safety campaign
- Won DMAi Asia Awards
  - **GOLD** – Financial Services – for #DriveLikeALady campaign
  - **SILVER** – Financial Services – for Kotak Meter campaign
  - **SILVER** – Mobile Category – for Kotak Meter campaign

Kotak Mutual Fund

- Bagged top honours at **Digixx Awards 2024**
  - **PR / ORM – Award** for the Seekho Paiso ki Bhasha Campaign
  - **Best Use Of Social Media (BFSI) Award** for Sahi Samay Pe SIP Karo Campaign
  - **Brand Awareness Campaign (BFSI) Award** for Sahi Samay Pe SIP Karo Campaign
  - **Data, Analytics and Optimisation - Award** for the Seekho Paiso ki Bhasha Campaign

Recognition for Community Services

Kotak Mahindra Bank

- **Gold Category (Service Sector) –** ICAI's Sustainability Reporting Leadership Awards, 2023
- **Gold Category** in The Asset ESG Corporate Awards, 2023

Kotak Life Insurance

- **Best CSR Project of the Year** by Corporate Social Responsibility Summit & Awards, 2024 - 10th Edition

Kotak Mutual Fund

- **Largest Investor Education Program for CBSE School Teachers** recognised by Asia Book of Records, 2024
- **Largest Investor Education Program for CBSE School Teachers** recognised by India Book of Records, 2024
- Kotak Bond Fund adjudged **Best Medium to Long Duration Fund** by Morning Star Fund Awards, 2024

Strategy

Transforming for scale

Our strategic initiatives are deeply rooted in an ethos that places the customer at the centre of our focus. This is the guiding principle behind the ongoing evolution in our product propositions, customer service initiatives, and customer experience journeys across physical, voice and digital interactions with us.

Strategic Themes:

1 Scale

Powered by organic initiatives, partnerships and inorganic initiatives

2 One Kotak

Meeting the holistic needs of the customer by drawing on the capabilities of the Group

3 Prudent Risk Management

Ensuring a sustainable risk-reward relationship

4 Technology at the Core

Ensuring that systems and platforms are best-in-class

5 Empowered Colleagues

A diverse, engaged and productive workforce

6 Execution Excellence at Scale

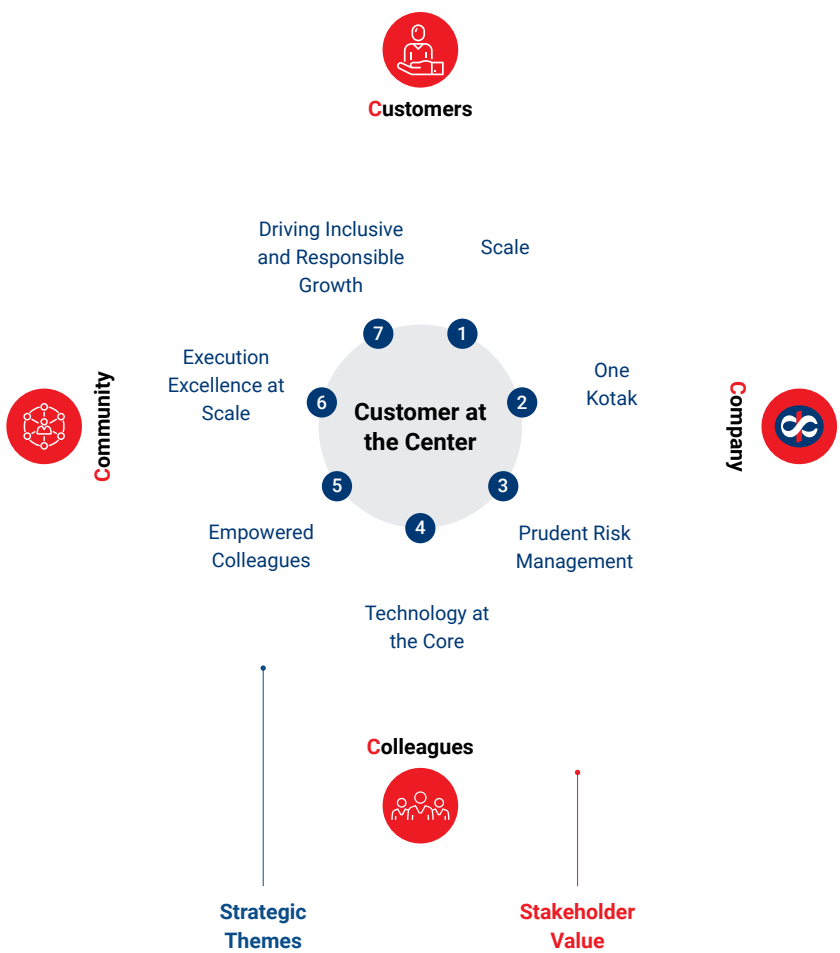
Driving efficiency

7 Driving Inclusive and Responsible Growth

Driven by the highest standards of compliance and ESG

4C Framework:

Customers | Company | Colleagues | Community



1 Scale

Powered by Organic Initiatives, Partnerships and Inorganic Initiatives



Relevant Material Topics

- Customer Centricity
- Brand Recognition
- Financing Inclusion and Social Development

Contribution to SDGs



Organic Initiatives

We believe that our path to scale has three key levers:

Best-in-class Customer Service: The core tenets pivotal to delivery of excellent customer experience are: speed and simplicity, transparency, consistency, resilience, and a seamless omnichannel experience - all of which are supported by a strong backbone of technology and digital platforms.

Focused Propositions: This involves stitching together strong product and service bouquets designed for specific customer cohorts.

Deep Engagement: This entails meeting the customer needs holistically, leveraging product capabilities across the Group.

We believe that convenience of digital banking experience and trust of branch presence are amongst the most important factors influencing the customer's choice of bank. This helps expansion of reach while enabling multi-modal customer engagement and service delivery. This shall be enabled through the following:

Expanding Access: We will drive our distribution network across all three modes – Digital, Voice and Branch. This will enable deeper, omnichannel engagement with customers, resulting in higher growth in the retail deposit base, in particular current, savings and ActivMoney deposits, all of which aid in maintaining a competitive cost of deposits. In addition, the large and engaged customer base will aid asset growth and distribution growth across businesses, especially in the retail, commercial and MSME segments.

Digital Capabilities: We recognise the importance of digital capabilities for scaling up the pace of customer acquisition and providing a best-in-class customer experience. With a promise of quick account opening through an entirely digital journey, at any time of the day, our digital capabilities are instrumental in driving acquisition of savings account customers. As part of our core digital focus, we are investing to create simplified, technology-driven journeys for customer acquisition and servicing across many other products as well.

Leveraging Technology to Power Scale: We are fully committed to ensure that Technology infrastructure is resilient to empower aspirations of growth at scale. To achieve this, we will continue to invest in technology for both infrastructure and applications with a dual objective: 'run the Bank' and 'change the Bank'. In addition to making investments in Tech infrastructure, we have also created a highly capable Tech organisation, which will be critical to ensure the Bank is agile and nimble in the ever-evolving digital landscape.

Partnerships and Inorganic Initiatives

To enable us to scale faster, we actively seek opportunities in line with our internal framework for partnerships and M&A, such as businesses or assets that either enable us to expand our market share (e.g.: Our acquisition in FY 2023-24 of Sonata Finance, a retail MFI focused on North India); allow entry into an industry, customer or geographic segment that we are currently not present in; or provide new capabilities.

2 One Kotak

Meeting the Holistic Needs of the Customer by drawing on the capabilities of the Group



Relevant Material Topics

- Customer Centricity
- Brand Recognition
- Financing Inclusion and Social Development

Contribution to SDGs



We have identified certain high-value customer segments and seek to meet their needs holistically. The Group manufactures and distributes a variety of products across its integrated and diversified businesses offering banking, financing, asset management, insurance, retail and institutional broking, alternate assets, investment banking, and wealth management through a combination of the Bank, wholly-owned subsidiaries and associate companies. Through a 'One Kotak' approach, we endeavour to seamlessly bring together our entire suite of services in order to best meet the holistic needs of customers, deepen relationships and focus on offering relevant product-set for these high-value customer segments.

Strategy

3 Prudent Risk Management

Ensuring a Sustainable Risk-Reward Relationship

Relevant Material Topics

- Data Security and Resilient IT Systems
- Financing Inclusion and Social Development
- ESG and Climate Risk Management in Lending and Investments
- Promoting Green Finance
- Operational Eco-efficiency and Resilience to Climate Change

Contribution to SDGs





We intend to pursue sustainable and efficient growth through right quality assets at risk-adjusted pricing:

Advances Growth with Healthy Risk-reward Balance: Our strategy is centred on risk-adjusted returns with a sharp focus on return on capital across our various businesses. The consumer lending business (across secured and unsecured business lines) along with the SME lending businesses are expected to remain a key driver of our overall growth strategy. We aim to meet our priority sector lending targets by providing financing for tractors, small enterprises, allied agricultural activities, and microcredit for women borrowers. The core focus of wholesale business is to acquire quality customers and deliver customised solutions in trade finance, forex and cash management through efficient technology platforms, backed by high quality service.

Risk Management: At its core, we consider the Bank to be a 'risk management company empowered by technology'. The strategy for risk optimisation on unsecured credit involves continuous enrichments in high-quality model-based risk frameworks, while going from strength to strength in traditional areas of touch-and-feel credit and treasury risk management. With the emergence of newer risks in the area of cyber-security, operations and technology, we will continue to increase our focus towards strengthening and building appropriate guardrails.

4 Technology at the Core

Ensuring that Systems and Platforms are Best-in-Class

Relevant Material Topics

- Data Security and Resilient IT Systems
- Data Privacy
- Customer Centricity

Contribution to SDGs





We will continue our journey to provide best-in-class digital interfaces and processes at speed.

Speed, Simplicity, and Transparency: We are working on mapping, automating, and digitising customer journeys across the ecosystem of products and services, in both physical and digital worlds. The operating philosophy behind the revamp is to make our journeys faster, simpler, more intuitive and well-informed for the customer. We are working on unified digital onboarding journeys for customers to have a consistent onboarding experience across products.

Best-in-Class Digital Banking Experience: We are undertaking a complete revamp of our mobile-banking platform to make it more user friendly, faster, safer and more convenient. The Beta version of the new Mobile Banking app is now available for public use. We will continue to invest in digital channels for enhancing customer acquisition, servicing, transaction processing capability, especially across payments and transfers.

Leverage Digital Public Infrastructure: The rail roads for Digital Public Infrastructure in India have become wider and stronger with the advent and success of key government initiatives under India Digital Stack (UPI, Digilocker, Account Aggregator, ONDC, etc.). We are fully focused on unlocking the full value that each of these initiatives can create for our customers, duly complemented by our initiatives on advancing our analytics and underwriting engine, using direct and proxy data. Together, these shall enable personalised and well-informed customer outcomes.

5 Empowered Colleagues

A Diverse, Engaged and Productive Workforce

Relevant Material Topics

- Employee Health and Well-being
- Employee Development and Engagement
- Diversity, Equity and Inclusion

Contribution to SDGs





Our colleagues are our biggest asset and ambassadors. As the organisation of the future is evolving both in terms of structure and composition, we are preparing ourselves with the right human capital to navigate the complexities of the modern world, enhance employee satisfaction and performance, and drive sustainable growth. The pathway to this is a well-rounded strategy which enriches the colleague-value-proposition, learning and development towards career growth, culture of transparency, and recognition.

Colleague Value Proposition: We are committed to providing best-in-class colleague value proposition based on five pillars:

- Providing the 'Best of Kotak for Kotakites and their families – offering differentiated/best-in-class products and services to colleagues
- People development through continuous learning, leadership development and skill enhancement
- Recognising and celebrating colleagues
- Transparent communication philosophy
- Enhancing value proposition for each distinctive employee group

Organisation of the Future: Further, we aim to design an organisation for the future by:

- Hiring the best talent and driving a harmonious integration with 'Kotak culture'
- Continuing to invest in tech, digital, analytical and propositional talent
- Developing a pipeline of future leaders and focusing on attrition control
- Fostering professional entrepreneurship within the organisation

6 Execution Excellence at Scale

Driving Efficiency

Relevant Material Topics

- Regulatory Compliance
- Customer Centricity
- Employee Development and Engagement
- Operational Eco-efficiency and Resilience to Climate Change

Contribution to SDGs





We continue to leverage technology for scalability while also ensuring time and cost-efficient operations. We have revamped our internal processes to enable the customer to 'Do-It-Yourself' (DIY) in addition to empowering our workforce with tech-enabled tools and processes to service the growing customer base, improving productivity and efficiency. Some of the key focus areas are:

Operational Efficiency: We continue to expand our market share across businesses, bringing scale-led efficiency. Additionally, we will continue to invest in various digital initiatives and technology infrastructure to acquire customers and enrich service delivery, thereby optimising associated costs on a per unit basis. This will also make internal operations more efficient. Revamped customer journeys and process re-engineering initiatives will further help us achieve deeper relationships and cost efficiencies associated with lean processes.

Employee Productivity: We endeavour to consistently improve employee productivity levels and have identified technology, automation, and straight-through-processing as critical enablers to achieve this objective. Automating repetitive tasks not only helps in reducing costs, but creates customer delight, leading to an increased customer wallet-share and improved operating leverage. We are also focused on placing the right tools in the hands of our colleagues, especially at the front lines, to enrich the quality of engagement with customers, thereby enabling superior outcomes.

Capital: We plan our capital with the objective of meeting regulatory and business requirements, while striking a balance between risk-reward on the capital to be deployed. We will continue to maintain Tier-I capital in excess of the regulatory requirements and will continue to ensure that Credit-to-Deposit ratio remains within acceptable levels.

Strategy

7 Driving Inclusive and Responsible Growth

Driven by the Highest Standards of Compliance and ESG

Relevant Material Topics

- Regulatory Compliance
- Promoting Green Finance
- Financing Inclusion and Social Development
- ESG and Climate Risk Management in Lending and Investments
- Formulation of an ESG Roadmap

Contribution to SDGs





We will continue to strengthen the compliance framework, lead efforts in responsible banking, and create an impact beyond banking.

Financial Inclusion: Our asset growth strategy continues to focus on granular, high-quality, and sustainable businesses. We continue to increase the base of Jan Dhan accounts to lower-income groups, distribute government-sponsored lending/insurance schemes and offer services such as Aadhaar Enabled Payment Systems through our branch and Business Correspondent (BC) network. Our digital ecosystem has further opened opportunities to offer financial services to a vast population by leveraging the partner network. We continue to explore the fintech partnership network for new use cases and business models.

Compliance: We will continue to follow a comprehensive compliance framework to ensure adherence to all the regulatory requirements at all times. We maintain transparency in communication with stakeholders, including customers, employees, investors, and regulators.

Sustainable and Responsible Banking: We continue to focus on strong ESG practices and actively focus on sustainable practices in banking operations such as addressing carbon emissions and promoting resource efficiency. We have board-approved frameworks for green and sustainable finance in place and are working on strengthening our approach to addressing ESG and climate risks. We have been publishing detailed ESG disclosures since FY 2021-22 and have received a Gold Award for Sustainability reporting in services sector by the ICAI for the past two consecutive years.

F R A M E W O R K

We propose to measure the progress of our strategy in driving value to our stakeholders through the '4C framework':

Customers | **Company** | **Colleagues** | **Community**

Customers

Across businesses, key outcomes that we pursue are:

- Building trust with our customers
- Enhancing customer engagement
- Scale in customer base

Success is measured typically through parameters such as growth in customer base, market share, NPS, product holding, etc.

At the overall Bank level, the number of customers increased to 5.0 crore as on 31st March, 2024, as against 4.1 crore as on 31st March, 2023. This was primarily led by acquisitions in 811 and Consumer Bank business. During the year, R-NPS score, a measure of customer trust and therefore willingness to refer the Bank to others, saw an increase by 13[1] points. Overall, we saw a deposit growth of 24%[2] in FY 2023-24, which outpaced the industry deposit growth by 10%[3].

Engagement through digital platforms gained traction. Kotak Fyn, our platform for enterprise clients saw 4x[2] growth in customer base, whereas there was 26.5%[4] growth in average monthly active users on our Mobile Banking platform.

[1]Improvement in score for Consumer Business over the period December 2022 to January 2024 | [2]Growth over the period 31st March, 2023 to March 31, 2024 | [3]Industry growth rates over the period 31st March, 2023 to 31st March, 2024 basis data published by the RBI | [4]Growth in the average monthly active users of FY 2023-24 versus the average monthly active users of FY 2022-23

Company

Key outcomes that we pursue are:

- Sustainable growth
- Value creation
- Capital efficiency

One of the key drivers of sustainable growth is the quality of deposit franchise. We saw a CASA ratio of 45.5% for FY 2023-24. 79%[6] of our total deposits were below ₹ 5 crore, an indication of granularity of deposits. ActivMoney, our sweep TD product was well received by customers and saw 102%[2] growth. For FY 2023-24, our Cost of Deposits was 4.7%, which is competitive vis-à-vis peer private sector banks.

We witnessed 20%[1] growth in total advances, driven by higher retail advances. Unsecured retail advances stood at 11.8%[6] of net standalone advances, driven by a 44%[2] growth in credit card advances. Our commercial vehicle/construction equipment advances grew by 33%[2]. The Net NPA of the Bank improved to 0.34% as on March 31, 2024 (compared to 0.37% as on March 31, 2023).

Our Consolidated Balance Sheet overall is well capitalised at 21.8%[6] CRAR, with healthy return on assets of 2.66% and return on equity of 15.08% for FY 2023-24.

We received the following awards during FY 2023-24:

- Best Mid-sized Bank by Mint BFSI Summit & Awards, 2023
- Best Bank Treasury FX Risk Management' Award by India Treasury Summit & Awards, 2024
- The Asian Banker Transaction Finance Awards, 2023
  - Best Transaction Bank in India
  - Best Cash Management Bank in India
  - Best Business Ecosystem Initiative - Fusion Cash Management

Colleagues

Key outcomes that we pursue are:

- Engaged and enabled colleagues
- Productive workforce
- Diversity

In June 2024, we were recognised as one of the 'Top 100 Best Companies to Work for 2024', as well as 'India's Best Employers Among Nation-Builders 2024' and 'one of India's Best Workplaces in BFSI 2024' by Great Place to Work® (GPTW).

As a measure of colleague engagement, the Bank received a 75%+ score in the Annual Employee Pulse Survey. Further, 25% of our Top Management has > 20 years tenure with the group. Some of the responses to the GPTW Survey – December 2023 are as follows:

79% of employees say –
"I would say this is a great place to work taking everything into account"

76% of employees say –
"I feel I make a difference at Kotak"

80% of employees say –
"I feel a sense of Pride when I look at what we accomplish at Kotak"

We have 25%+ women employees. We aim to foster and encourage diversity further through supportive policies appropriate for various life-stages.

Community

Key outcomes that we pursue are:

- Inclusive growth
- Responsible growth

In FY 2023-24, we received the following awards for performance on ESG:

- ICAI Gold category in Sustainability reporting in Services Sector for FY 2022-23 Annual report
- Gold Category in The Asset ESG Corporate Awards, 2023

We received 81/100 SES ESG score with 4/73 SES ESG ranking in BFSI sector. This rating is provided by Stakeholder Empowerment Services, a proxy advisory firm registered with the SEBI as an ESG Rating provider. It scores companies based on their Business Responsibility and Sustainability Reporting (BRSR) disclosures and ranks them accordingly.

We continue to focus on financial inclusion, and saw 7.6x[5] growth in number of Jan Dhan Accounts opened, ₹ 11000 crore + PSL eligible advances over regulatory requirement for FY 2023-24, growth of 60%[2] in Retail MFI advances, and 36%[2] growth in micro lending customers.

In essence, our strategy is focused on Transforming for scale – an over-arching focus on the customer, driven through the seven strategic themes. This would enable value creation for all our stakeholders. Our commitment is to consistently progress against these goals.

[2]Growth over the period 31st March, 2023 to 31st March, 2024 | [5]Growth in the number of accounts opened in FY 2023-24 versus FY 2022-23 | [6]As on 31st March, 2024

Stakeholder Engagement and Materiality Assessment

Creating value and nurturing relationships

We at Kotak strive towards creating long-term relationships with our stakeholders based on transparency, accountability, respect and mutual trust, through our ethical and agile business practices and robust stakeholder communication. We firmly believe that understanding our stakeholders is necessary to address the opportunities and challenges evolving in today's dynamic market. This not only contributes to the strategic direction and operational excellence of our organisation, but also helps in enhancing our performance and reputation.

We identify key stakeholders based on their potential to influence our business strategy, vulnerability to business outcomes, and potential to collaborate with us.

Stakeholder engagement helps us in the following:

Improve
stakeholders' trust and confidence in our business

Increase
our ability to understand stakeholder inputs

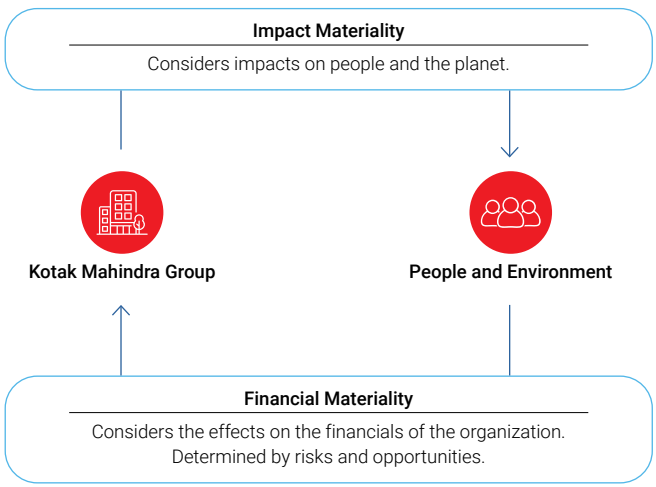
We attempt to communicate effectively with all our identified stakeholders to recognize and address their respective concerns. Kotak has identified seven crucial stakeholder groups and the stakeholder engagement strategy structured for each stakeholder group is available on pages 402-403 in the Section C Principle 4 of BRSR.

Materiality Assessment[1]

In FY 2021-22, we conducted a materiality assessment aligned with the principles of the GRI 2021, where key stakeholders rated and ranked various topics based on their influence on business outcomes and perceived preferences. The material topics were then clustered according to their contribution to value creation. Subsequently, an ESG Policy framework covering all material topics and linked to Kotak's strategic pillars was developed to finalize the outcomes and create a strategic roadmap for the material topics. This earlier assessment was reviewed in FY 2022-23.

In FY 2023-24, we undertook an improved materiality exercise to identify material topics that serve as inputs for our ESG strategy. We involved our stakeholders in this process to gain a better understanding of the changing economic and policy landscape, enabling us to identify emerging risks and opportunities, and the potential impact on our business and to the environment and society. The materiality exercise undertaken in FY 2023-24 is in alignment with GRI 3: Material Topics 2021 and guided by the double materiality principles of European Sustainability Reporting Standards (ESRS).

The assessment factored the impact of Kotak's business activities on 'Impact materiality' and 'Financial materiality'. Impact materiality provides a view on how an organisation impacts people and the planet through its activities and financial materiality helps an organisation understand how external factors affect financial position, performance, cash flows, access to finance or cost of capital. This exercise enabled us to deeply and actively engage with stakeholders by seeking their views on how material topics are likely to impact the organization and vice-versa by assessing the scale and scope of risks, opportunities, and impacts. We are cognizant that wider and sustained stakeholder engagement is necessary to attain a comprehensive understanding of what is material for business operations, as different stakeholders have various and sometimes conflicting perspectives on material topics.



[1]GRI 3-1

The materiality assessment was carried out as follows:

Step 1 **Identification and articulation of topics**

To identify relevant sustainability topics, we reviewed emerging business trends, risks and opportunities. A secondary research was conducted of industry specific material topics identified by practices of domestic and global peers, and rating agencies for financial institutions, which were contextualised to Kotak's operations in terms of risks, opportunities and impacts. Risks and opportunities were qualitatively represented on how they could affect the enterprise value. Impacts indicated how the organization could affect the environment and people at large.

Step 2 **Engagement with key stakeholders to assess the identified material topics[2]**

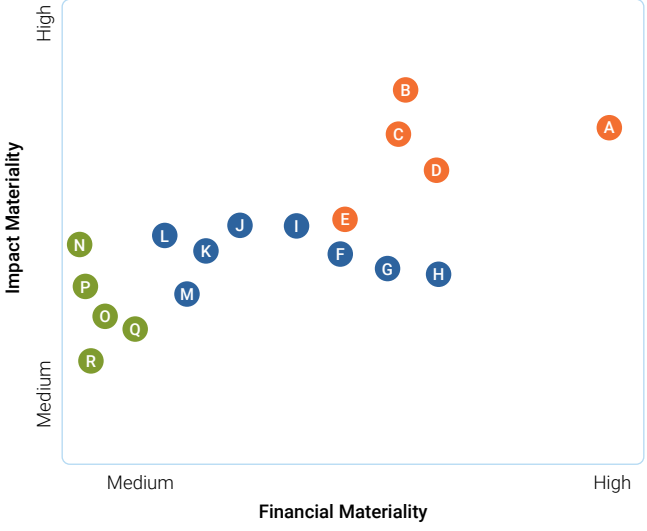
By engaging with stakeholders, we tried to understand their perspectives on how material topics could influence the organization, as well as how the organisation can affect them. For this purpose, stakeholders were asked to rate the scale and scope of risks, opportunities, and impacts through online surveys. Valuable insights from our stakeholders revealed opportunities and emerging risks, which help shape our strategy towards sustainability.

Step 3 **Analysis of external and internal stakeholder consultation**

The responses gathered from the engagement were further analysed to derive the materiality outcome along with the analysis on impacts, risk and opportunities. After this analysis, the materiality matrix was developed, and the material topics were clustered into groups – Foundation, Growth and Ecosystem. Executive Directors on the Board and Senior Management reviewed the material topics along with the aggregated results from the surveys.

Kotak Mahindra Materiality Matrix

The Outcome of Materiality assessment conducted for FY24



Material issues[3]

Our Material issues are categorised into the following:

Foundation

Material topics core to Kotak's operations and sustainability

- A — Data Security and Resilient IT Systems
- B — Regulatory Compliance
- C — Data Privacy
- D — Business Ethics
- E — Corporate Governance

Growth

Material topics driving Kotak's progress and business excellence

- F — Customer Centricity
- G — Brand Recognition
- H — Employee Development and Engagement
- I — Formulation of an ESG Roadmap
- J — Diversity, Equity, and Inclusion
- K — Employee Health and Well Being
- L — Promoting Green Finance
- M — ESG and Climate Risk Management in Lending and Investments

Ecosystem

Material topics integrating Kotak's long-term vision to contribute to national goals and commitments on sustainable development

- N — Financing Inclusion and Social Development
- O — Operational Eco-efficiency and Resilience to Climate Change
- P — Policy Advocacy
- Q — Community Well-being
- R — Supply Chain Sustainability



[2]GRI 2-29 | [3]GRI 3-2

Stakeholder Engagement and Materiality Assessment

Kotak Mahindra Group's Material Topics and some key performance indicators are covered in this Report[3]

	Material Topics	Description	Rationale for materiality and management approach[4]	Section of the report covering management approach[4,5]	Our performance[6]
A	**Data Security and Resilient IT Systems**	Prevent and address IT system failures and major cybersecurity incidents to facilitate seamless operations resulting in resilient IT systems.	Data security is a significant risk for organisations handling large volumes of sensitive financial and personal data. Lack of robust data privacy systems can result in financial penalties, increased legal fees arising from lawsuits and reduction in customer retention.	Governance	Cybersecurity operations are **ISO 27001:2013 certified** Relevant Board committees are updated on Cybersecurity*
B	**Regulatory Compliance**	Adherence to laws, regulations and guidelines.	In an ever-evolving regulatory landscape it is imperative for organizations to ensure compliance on current and emerging regulations. Failure to keep abreast with the dynamic policy and regulatory landscape can lead to litigation, regulatory and reputational risks.	Governance Corporate Governance report	No non-compliance noted to applicable environmental laws and regulations
C	**Data Privacy**	Measures taken to ensure safe and secure use and maintenance of sensitive personal information.	Data breaches or unauthorised access to customer data could lead to legal liabilities, including lawsuits from customers, regulatory investigations, financial penalties and damage to brand and reputation leading to reduction in customer retention.	Generating value for customers Governance	GDPR aligned Privacy Notice for non-resident customers
D	**Business Ethics**	Ethical conduct of business, including in areas such as taxation and accounting, anti-corruption, anti-money laundering, anti-competitive practices, insider trading and intellectual property issues.	Ethical business practices can present opportunities by building a strong reputation and brand, managing risks, attracting and retaining employees and customers.	Governance Corporate Governance report	Percentage of employees who acknowledged adherence to Code of Conduct (CoC): **99.61%** Total employee training hours on Anti money laundering: **39,662**
E	**Corporate Governance**	Covers Board and management effectiveness and integrity, succession planning, remuneration policies and practices, reporting and audit of financial and non-financial information that promotes high level of transparency, accountability and Board oversight.	Failure to adhere to good governance practices could pose significant risks to operations, financial performance, and ultimately long-term success for the organization. This could result in financial penalties, a reduction in access to capital.	Governance Corporate Governance report	Smooth transition of leadership across Board and Top Management. Number of Board of Directors with expertise on Risk Management: **4** Average Board meeting attendance: **94.93%**
F	**Customer Centricity**	Enhance customer experience and satisfaction, and address customer expectations via product innovation, efficient processes, digital solutions, user friendly interfaces, easy access to products and services, fair marketing practices and efficient complaint resolution.	Enhancing customer experience and satisfaction can help Kotak improve customer retention, increase revenue, differentiate the Bank from competitors, build a strong brand image, increase customer base and reduce costs.	Generating value for Customers	**25%** Y-o-Y growth in digital sourcing of Personal Loans Customer grievances resolved within stipulated turnaround time: **81%**
G	**Brand Recognition**	Enhance the brand image and reputation to boost stakeholder confidence and goodwill.	Positive brand and reputation help attract and retain customers and other stakeholders such as investors, employees and shareholders. A positive reputation can also help dampen impacts of macroeconomic risks.	Generating value for Customers	**22%** YoY growth in customer base **22%** YoY growth in customer assets
H	**Employee Development and Engagement**	Invest in training, upskilling and leadership development to nurture, advance and retain talent. Initiatives to improve collaboration and mutual respect, towards creating an open and approachable work culture.	Enabling learning, development, and an open work culture for employees is an opportunity to increase employee engagement, retention, and performance, decreased hiring costs, enhance reputation, attract top talent, and gain a competitive advantage.	Empowering Colleagues	Average person hours of training: **41 Hours** Investment in training and development: **₹ 46 Cr** **80%** employees feel proud of accomplishments at Kotak[8]
I	**Formulation of an ESG Roadmap (ESG Stewardship)**	Specify and communicate a forward looking ESG trajectory including targets and commitments for promoting sustainability across portfolio and operations.	Indicating a strategic roadmap demonstrates commitment to responsible business practices, enhancing brand reputation and financial performance. This would also signal stakeholders on contribution to national goals and commitments on climate and sustainable development	Embracing Sustainability	Oversight of a Board committee on ESG strategy. Published our aspiration to have women represent one-third of our workforce to improve gender diversity

Risk Opportunity

*[3]GRI 3-2 | [4]BRSR, Section A, Question 26 describing rationale for identifying a material topic as risk or opportunity, approach to adapt or mitigate and the financial implications of the risk or opportunity | [5]GRI 3-3 | [6]The performance is indicated for the Bank wherever it is not mentioned specifically. The static figures mentioned in the KPIs are as on 31st March, 2024. The period figures mentioned are for FY 2023-24. | *As on the date of publishing this report*

	Material Topics	Description	Rationale for materiality and management approach[4]	Section of the report covering management approach[4,5]	Our performance[6]
J	**Diversity, Equity, and Inclusion**	Run programmes and activities to hire, mentor and support employees for promoting workforce diversity, equity and inclusion. Provide equal and fair treatment, remuneration and advancement opportunities to all employees.	Promoting diversity, equity, and inclusion (DEI) amongst employees can provide numerous benefits including increased innovation and creativity, enhanced reputation, better risk management, and compliance with regulations.	Empowering Colleagues	Percentage of women in the workforce at the Group: **25.7%** Share of women workforce in Senior Management at the Bank: **8%**
K	**Employee Health and Well Being**	Provide a safe workplace and proactively address health and safety related concerns through trainings, safety drills, ergonomics, insurance, daycare etc.	Promoting employee health, safety, and well-being enhances employee productivity and minimises absenteeism, employee turnover and hiring costs.	Empowering Colleagues	ISO 45001:2018 certified offices: **6** Number of hours of health and safety trainings at the Bank: **15,442**
L	**Promoting Green Finance**	Providing products, services and incentives to depositors and borrowers for mobilizing capital towards positive environmental and climate impact. Strengthen the systems and build capacities to raise and deploy green and climate finance.	Promoting green finance could help build trust among conscious stakeholders, reduce exposure and losses arising from climate risks and support transition to a low carbon economy.	Embracing Sustainability	**99%** and **77%** increase in electric 2-wheelers and electric car loans respectively by KMPL over FY 2022-23 ₹ **6,000 Cr+** Green asset book*
M	**ESG and Climate Risk Management in Lending and Investments**	Integrating ESG screening and due diligence in evaluation of potential borrowers and transactions. Managing the investment and advances portfolio mix, based on scenario analysis and stress testing for climate risk.	Identifying 'ESG and climate risk management in lending and investment' as a material topic for Kotak is imperative. It aligns with global sustainability agendas, mitigates financial risks, enhances reputation, and fosters long-term value creation. Addressing these factors proactively reinforces stakeholder trust and resilience in the face of evolving environmental challenges.	Embracing Sustainability	ESG Management Systems Plan covers the steps for ESG risk evaluation of select transactions Physical risk assessment on geographical footprint and transition risk assessment of select carbon intensive sectors
N	**Financing Inclusion and Social Development**	Promoting financial inclusion via ensuring availability and access to financial services and providing financial literacy for unbanked and underbanked people. Extending financial services to contribute to positive societal good such as education, nutrition and healthcare.	Promoting financial inclusion is an opportunity to access new markets, generate new revenue streams, improve reputation, and also contribute to economic development.	Embracing Sustainability	ATMs with voice guidance facilities: **618** **45%** micro-ATM outlets across rural and semi-urban locations **~27 lakh** active microcredit women borrowers till FY 24 at the Group
O	**Operational Eco-efficiency and Resilience to Climate Change**	Optimize energy and water use, along with reducing greenhouse gas emissions and waste, and investments in environmentally sustainable programmes to promote ecoefficiency in operations. Organization's operational readiness to handle chronic and acute climate incidents, such as temperature rise and floods/cyclones respectively.	Operational eco-efficiency can help meet regulatory requirements, enhance reputation, reduce costs and increase revenue. Efforts to become resilient to climate change can contribute to business continuity	Embracing Sustainability	**7%+** share of renewable power used by the Bank **2.6x** renewable power used compared to previous year
P	**Policy Advocacy**	Provide views and ideas to help develop regulations and policies for building sustainable practices in the industry.	Contributing to the development of regulations and policies could be an opportunity to demonstrate commitment to responsible governance, reduce regulatory risk, enhance collaboration and improve brand and reputation.	Governance	Active participation as part of industry associations as part of industry associations
Q	**Community Well-being**	Programmes to address the developmental needs of communities through CSR programs and donations.	By investing in community development, organizations can make a positive impact on the communities and contribute to the long-term sustainability of business operations. This can result in stronger relationships with communities.	Supporting Communities	Group's CSR expenditure: **₹ 320 crore**[7] CSR beneficiaries: **8.2 lakh +** for the Group
R	**Supply Chain Sustainability**	Engaging with service providers on sustainability. Integrate sustainability in sourcing decisions.	Meaningfully engaging with the supply chain can foster stronger and longer partnerships that create business value, and contribute to business continuity. Sourcing sustainably demonstrates commitment to environmental stewardship and social responsibility.	Governance	Purchases by value from MSME vendors: **23%**

Risk Opportunity

*[7]Inclusive of transfer to Unspent CSR Account, administrative overhead and impact assessment | * as per green activities/projects indicated in RBI's 'Framework for acceptance of Green deposits' issued in April, 2023.*

Risk Management

Safeguarding stakeholder interests

We consider risk management a core competence, ensuring sound management of risks through timely identification, assessment and management. Risk Management is integral to our operations, and our approach towards risk is designed to align the outcomes of our risk-taking activities with our strategic goals and risk tolerance. We achieve this by maintaining a balanced approach ensuring that risks are managed prudently to optimise shareholder value.

Key Highlights

0.34%
Bank's Net NPA

20.5%
Bank's Capital Adequacy Ratio

119.03%
Group's Net Stable Funding Ratio

Material Topics Covered

- ESG and Climate Risk Management in Lending and Investments
- Operational Eco-efficiency and Resilience to Climate Change
- Data Security and Resilient IT Systems

Capitals Covered

- Financial Capital
- Intellectual Capital

Risk Governance

The Group operates within an enterprise-wide risk management (ERM) framework that integrates risk and capital management with business strategy. This framework safeguards financial strength and reputation while supporting business activities that enhance customer value and sustain shareholder returns. All legal entities within the group work under this framework with suitable modifications as appropriate for their individual businesses. The ERM framework also supports the MD & CEO and the Group Chief Risk Officer (CRO) in cultivating a strong risk culture at the Group. It ensures effective oversight of risks through a clear internal governance model that defines the structure of risk ownership and accountability. Our risk management approach entails three lines of defence wherein clear definitions of roles and responsibilities for risk management are defined for each line of defence.

1st Line of Defence
- Business Units
- Support Units

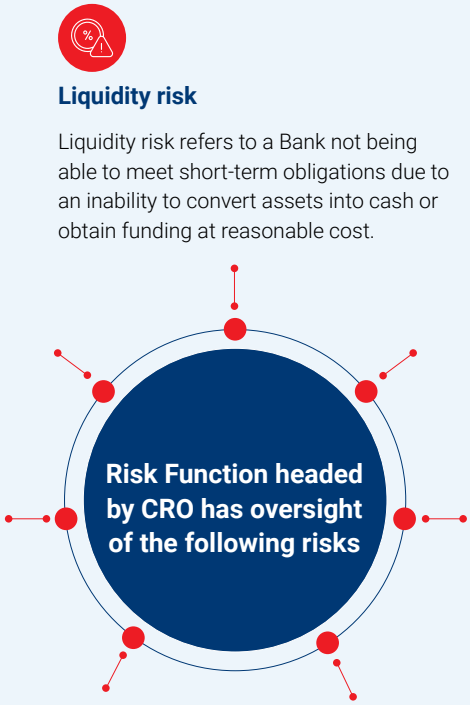
2nd Line of Defence
- Risk Management
- Financial control
- Compliance

3rd Line of Defence
- Independent Assurance
- Internal Audit
- External Audit

The Group Chief Risk Officer, appointed by the Board of Directors and reporting directly to the MD & CEO, heads the independent risk function in the Bank. The Risk Function provides an independent and integrated assessment of risks across various business lines, and has separate units responsible for managing operational, credit, market, liquidity, interest rate, group and technology risks, which all report to the Group CRO. Every quarter, the Group Chief Risk Officer provides reports to both the Risk Management Committee (RMC) and the Board, detailing out the performance in relation to risk appetite and risk profile.

The Group has a well-established robust risk management structure, which includes the Board of Directors, an experienced senior management team, and various management committees. The respective Board of Directors approve the risk policies and the delegation matrix, and the Bank and every legal entity within the Group operates within the limits set by their Boards and the Committees to whom the powers are delegated by their respective Board. The risk management processes of the Bank's subsidiaries are the responsibility of their respective boards. A Group Risk Management Committee (GRMC) ensures that there is a holistic view of risks for the group.

The RMC and Board members are appropriately qualified to discharge their responsibilities, equipped with deep industry knowledge, skills, experience, professional qualifications and relevant technical, financial expertise in risk disciplines or businesses.



Liquidity risk

Liquidity risk refers to a Bank not being able to meet short-term obligations due to an inability to convert assets into cash or obtain funding at reasonable cost.

Credit risk

Risk of financial loss- resulting from the failure of a borrower or counterparty to fulfil their contractual obligations, leading to non-payment of loans or default on financial obligations.

Interest rate risk

Interest Rate risk of losses in a Bank's earnings /economic value of its capital due to fluctuations in interest rates affecting value of assets, liabilities and net interest income.

Market risk

Risk of losses in a Bank's trading of investment portfolio due to adverse movements in market factors such as interest rates, exchange rates, commodity prices and equity prices.

Group risk

Risk arising from interconnectedness and exposures within a banking group, including risks associated with inter-group transactions, funding and contagion effects between entities within the group.

Operational risk

Risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.

Technology risk

Risk of financial loss, disruption of business operations, or damage to the Bank's reputation resulting from failures or inadequacies in technology systems, cybersecurity breaches, data breaches or IT infrastructure failures.

Risk Management

As of date, the Bank and major entities of the Group continue to be rated "AAA", reflecting the Group's strong financial risk profile, sound asset quality, robust liquidity and strong capital adequacy.

Details regarding risk management, encompassing risk categories, independence of risk management functions, controls, stress testing, governance structure, approach, and risk management and mitigation strategies, are elaborated upon in the Management, Discussion and Analysis section.

Every year, the Group conducts the Internal Capital Adequacy Assessment Process (ICAAP), providing management with a comprehensive view of overall risks and assessing the capital required to mitigate these risks. Determining the level of capital required to cover these risks is a crucial outcome of the ICAAP process; it is then reviewed by senior management and approved by the board. Periodic enhancements to the ICAAP ensure greater detail and deeper analysis.

Stress testing plays a crucial role within the ICAAP and serves as a cornerstone in our risk management framework. It offers the management deeper insights into portfolio performance during challenging economic conditions. This approach enhances our predictive risk management capabilities and complements other tools by assessing potential risks, ensuring our capital levels are sufficient in forward-looking and severe stress scenarios. A Board approved Stress Testing policy aligned to regulatory guidelines and covering material risks is in place for this. The ICAAP incorporates stress testing into capital planning, ensuring that throughout the year, the Bank maintains capital ratios above regulatory requirements and internal targets across all approved stress scenarios. The Group maintains sufficient capitalization to adequately cover both Pillar I and Pillar II risks.



Risk Culture

The risk culture lays emphasis on responsible business practices, priortisation of customers' needs, and appropriate disclosures. The ERM framework reinforces a risk culture across the organization that ensures a high level of risk awareness and makes risk management an integral part of organisational decision-making. The objective is to develop a disciplined risk culture where managing risk is a responsibility shared by all employees. This is achieved through regular communication and tailored training programmes, and incorporating a structured induction curriculum for all new employees.

All employees are required to be familiar with risk management policies relevant to their roles and responsibilities and are encouraged to escalate any potential risk issues to senior management on a timely basis. The employees can send an email to their respective line managers in case a risk has been identified. We also have processes in place for testing the risk awareness of staff in general and skill set of relevant individuals (those in risk management functions or responsible for day-to-day risk management) with the objective of determining the training gaps in the area of risk management.

Risk management is also integral to business plan development and product launches at the Group. The Risk Function participates in activities supporting business development such as development and implementation of risk management processes for new business lines, product approval process, and post implementation reviews. This helps in ensuring that key aspects of the project such as risk identification procedures, compliance with regulatory guidelines, training, accounting framework, governance, IT infrastructure and staffing, are implemented prior to launching a new product and that appropriate approvals have been obtained. Before introducing new products, the Board and Senior Management of the Bank identify and review the changes in firm-wide risks arising from these potential new products or activities and ensure that the infrastructure and internal controls necessary to manage the related risks are in place.

Business leaders and senior management also receive regular updates on emerging risks within their business sectors. The Risk Function receives and reviews reports from the business lines and other areas about their risk profile mitigation programmes and loss event summaries. Feedback, if any, is considered for implementation for process control enhancements accordingly.

Compliance to risk management policies and protocols is scored in performance appraisals of all roles including senior management. Similar to senior executives, line managers also undergo yearly performance appraisals in which compliance to risk management policies and protocols is scored. The Management Discussion and Analysis section of this Report provides more details regarding the embedded risk culture.

Navigating the New Normal: Emerging Risk Landscape

The banking sector faces a diverse array of emerging risks, spanning cybersecurity threats, financial risks triggered by climate change, evolving regulation, geopolitical volatility and disruptive technological advances. These risks entail multifaceted consequences demanding a proactive and flexible approach to risk management, coupled with a strategic foresight to ensure resilience and value generation within an ever-changing landscape.

Digitalisation

Banks are increasingly embracing digital technologies, where they face a new array of risks, including cybersecurity threats, data privacy concerns and operational vulnerabilities. Digitalisation has the potential to enhance customer experience and reduce costs across various banking processes, such as loan origination, cash management, payments, trade finance and asset servicing. It also offers opportunities for efficiency gains and timely redressal of customer grievances. The banks managing this transition well would need to empower their relationship managers to focus on sales, customer service, risk management and handling exceptions.

In India, banks are navigating the adoption of AI/machine learning and APIs to enhance risk management and create operational efficiencies in the loan value chain[1]. Catering to the customer demand for digital-first experiences has emerged as a challenge for banks in the face of new age non-banking competitors equipped with advanced technical capabilities. Additionally, proliferation of digital options has expanded investment and lending opportunities and at the same time, exposed banks to increased fraud risks.

Mitigating Actions

1. **Upgrading technology capabilities:** At Kotak, we are upgrading the technology capabilities of our workforce and our systems to match and leverage the technological advancements emerging in our sector. We are also monitoring the digitalization landscape as it evolves, and putting in place proactive risk management strategies to not only meet customer expectations, but also maintain customer trust.

Big Data and Analytics

As banks transition into a digital economy, client-related customisation has become priority and a pre-requisite. Customers are now increasingly expecting personalised services tailored to their unique needs, from bespoke financial advice to customised loan products. Leveraging big data and advanced analytics customers can be offered personalised experiences that enhance their satisfaction and loyalty.

Big data and analytics technologies need upfront investment in infrastructure, software, and systems integration, which also increases operational expenses for maintenance and upgrades. Banks would have to weigh carefully these costs against potential benefits, and consider phased implementation to manage the financial burden. Additionally, the rapidly evolving nature of technology means that banks risk investing in systems that may become outdated quickly, necessitating further expenditure to stay competitive.

The complex nature of data analysis requires expertise in statistics, programming, machine learning, and domain-specific knowledge of banking and finance. Attracting the right talent and retaining them could be a challenge when tech companies and other industries are also competing for them. This shortage can lead to suboptimal use of data analytics tools, misinterpretation of results, or inability to fully capitalize on the potential of big data. A central mitigation measure for this would be to invest heavily in training programs, and to foster partnerships with educational institutions.

The effectiveness of big data analytics also depends heavily on the quality and integration of data from various sources. The challenge facing banks are their legacy systems, siloed data structures, and inconsistent data collection practices, which could lead to incorrect insights and decision making.

As banks increasingly start relying on algorithms for decision-making in areas such as credit scoring, loan approvals, and customer service, there's a growing risk of algorithmic bias. These biases can inadvertently discriminate against certain groups based on factors like gender, age or socioeconomic status. Addressing this risk requires careful algorithm design, regular audits for fairness, diverse teams in development, and transparency in decision-making process.

Mitigating Actions

1. **Data Infrastructure:** We are investing in cloud computing, data warehousing and real-time data processing, which will allow the Bank to continuously upgrade the data infrastructure to support the increasing volume, variety and velocity of data.

2. **CSR programme:** The Bank through its CSR programme, is supporting the establishment of an AI/ML Centre at IISc Bangalore. The Center focuses on supporting research and developments in this evolving AI/ML space across sectors, including the financial services industry.

3. **Data Integration:** We are continuously strengthening our data governance frameworks, data cleaning processes, and data integration technologies to create a unified, reliable data ecosystem that can support advanced analytics.

[1] *McKinsey: Building the AI bank of the future*

Cybersecurity and data privacy

Cybersecurity poses significant risks for the Group, given the increasing sophistication and frequency of cyberattacks targeting financial institutions. The Bank holds vast amounts of sensitive consumer data, including personal, financial and transactional information. Data breaches could lead to unauthorised access to this information, resulting in substantial financial losses and severe reputational damage. Additionally, cyberattacks such as phishing and malware can lead to fraudulent transactions and direct financial harm.

Reputational damage from cybersecurity incidents can significantly erode customer trust and confidence in a bank's ability to safeguard its assets and their personal information, which may negatively impact the organisation.

Operational disruptions caused by cyberattacks can lead to service outage that affect transaction processing, online banking services and other critical functions, thereby impairing customer experience and operational efficiency. The costs associated with post-attack recovery, including investigation, remediation and restoration of services can divert resources from other strategic initiatives.

Mitigating Actions

1. **Advanced Security Infrastructure:** The Bank invests in robust IT systems, especially in advanced security technologies to protect data and network infrastructure. The Bank is committed to demonstrating sustainable compliance to Cyber Security Framework for Banks.
2. **Employee Training and Awareness:** Regular cybersecurity training programmes are conducted for employees to keep them informed about latest threats and best practices. Continuous efforts are made to raise awareness among employees about potential risks and the importance of following security protocols in place.
3. **Incident Response and Recovery:** A comprehensive Incident Response Plan outlines roles, responsibilities and procedures for responding to cyber incidents. Regular drills and simulations are periodically done to test the Bank's incident response capabilities through drills to ensure preparedness. Regular security audits and assessments are conducted at the Bank to evaluate and improve cybersecurity measures.
4. **Consumer Protection and Education:** For online and mobile banking, multi-factor authentication (MFA) and other security measures are implemented. Customers are also regularly educated on safe banking practices and how to recognize and avoid potential scams.

Risks associated with a transitioning workforce

Retaining talent in a technologically evolving sector is critical. As banking relies more on advanced technologies, attracting and retaining skilled professionals is essential. We invest in continuous learning and development programmes focused on emerging technologies such as AI and blockchain to keep our workforce updated.

The younger talent joining our workforce bring fresh perspectives and need comprehensive on-boarding to help them align with our operational standards and regulatory requirements. Structured training programmes ensure effective utilization of their potential while maintaining high operational efficiency.

Mitigating Actions

1. **Structured Onboarding:** Kotakites receive structured onboarding programmes where new talent is trained on regulatory compliance, cybersecurity awareness and ethical use of technology, along with training on the employee Code of Conduct.
2. **Career Opportunities:** The Group provides career development opportunities through various mentoring programmes with senior management. We also share job openings across business segments to internal employees facilitating employee growth. Competitive compensation is offered to attract, retain and incentivize talent.
3. **Colleague Value Proposition:** We are committed to providing best in class colleague value proposition based on five pillars:
    a. Providing the 'Best of Kotak for Kotakites' and their families – offering differentiated/ best-in-class products and services to colleagues
    b. People development through continuous learning, leadership development and skill enhancement
    c. Recognising and celebrating colleagues
    d. Transparent communication philosophy
    e. Enhancing colleague value proposition for each distinctive employee group



Climate-related Risks and Opportunities[1]

Climate change poses a clear and tangible risk to the economy and financial systems, demanding keen monitoring from all industry actors. For financial institutions, it is a source of a systemic risk as it has the potential to negatively affect many different exposures at the same time[2]. Climate change risk drivers may not seem significant today, however with evolving regulations and technological developments, climate change related risks may act as factors that change existing risks and affect how they impact financial institutions.

IPCC's AR6 Synthesis report in 2023 highlighted that there is a more than 50% chance that global temperature rise will reach or surpass 1.5 degrees C before 2040 across studied scenarios. Specifically under a high-emissions pathway, it is highlighted that the world may hit this threshold even sooner, i.e. before 2037[3].

Recognizing this, regulators across the world have started taking mitigating measures. RBI's 'Draft disclosure framework on Climate-related Financial Risks' issued on February 28, 2024 and the 'Discussion Paper on Climate Risk and Sustainable Finance' released on July 27, 2022, have laid a roadmap for the regulated entities to address climate risks over the coming years. These guidelines mandate Scheduled Commercial Banks to disclose climate-related financial risks from FY 2025-26 onwards aimed at enabling early assessment of the risks across the financial system.

The regulation highlights physical and transition risks. Physical risk stems from changes in weather patterns, and may affect infrastructure and business continuity, as well as erosion of the value of financial assets. Transition risks arise from the shift towards low-carbon activities, impacting businesses through policy and technological changes.

Recognizing the increasing severity of climate risk to the larger economy and the potential impacts on its business, the Bank in FY 22-23 had initiated a forward-looking, scenario-based climate risk and opportunity assessment in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. A two-pronged approach is being employed to understand the potential of climate linked risks impacting the Bank's operations and portfolio.

A scenario analysis for physical risk assessment was conducted in FY 2022- 23, where projected changes in various climatic parameters such as temperature and precipitation were studied to identify risk impacts such as potential increase in operating costs due to heat stress, infrastructure damage or service disruption, and potential impacts on productivity. This physical risk assessment considered our branch network and offices with the analysis for risks of Sea Level Rise and Cyclones limited to coastal regions. The estimated annual financial impacts were observed to be within the operational risk appetite. Based on this assessment, the Bank has put in place guidelines that cover details of governance and oversight, frequency of assessment and roles and responsibilities, data collation practices to be adopted and proposed mitigation measures such as strengthening business continuity plans.

To assess the impact of climate risks on its corporate lending portfolio, the Bank adopted a sectoral approach and developed its own methodology to understand the potential direction of sectoral emission intensities over a period of time compared to publicly available scenarios. This approach was applied to the Power generation sector in FY 2022-23 and we have begun working on Cement manufacturing sector in FY 2023-24. This analysis has been based on publicly available data where available, and industry proxies wherever data was not readily available.

The sectoral portfolio's emission intensity is used as an indicator to understand risk in multiple scenarios. A key assumption was that the Bank continues to have a similar exposure pattern to its portfolio companies. The Power pilot study highlighted several challenges, which we are currently addressing. We have integrated these into the Bank's guidelines for regular evaluation. These guidelines include the details on governance, oversight, and the frequency of assessments. They also outline roles and responsibilities, additional data that needs to be captured and risk mitigation measures.

Besides disclosures on physical and transition risk assessment, the RBI's draft regulation on Climate-related Financial Risks has also mandated that financial institutions begin to address their carbon footprint arising from direct operations. Pursuant to this, the Bank is working towards finalising a low-carbon transition plan and decarbonisation strategy, considering India's climate goals.

While climate change presents significant risks, it also unlocks new business opportunities for banks. A key driver will be the financing needs for technologies and infrastructure enabling the transition to a low-carbon economy – be it renewable energy, green buildings, electric vehicles, advanced battery storage solutions or flood defense systems. In parallel, new financing instruments such as Green Bonds and Sustainability-Linked Loans are emerging to fund such climate-positive initiatives. Moreover, there is a visible demand from environmentally conscious clients for investment products and savings avenues aligned with sustainability principles and climate resilience.

Accordingly, the Bank has instituted two-board approved documents – Green Finance Framework and Sustainable Finance Framework to guide the Bank in its approach to address environmental, climate and social risks and opportunities. The Green Finance Framework is in alignment with RBI's 'Framework for Acceptance of Green Deposits', issued on April 11, 2023, forms a foundation for developing new products such as Green Deposits in the future.

[1]GRI 201-2 | [2]European Systemic Risk Board | [3]Intergovernmental Panel on Climate Change (IPCC) AR6 Synthesis Report, 2023

Governance

Our guiding principles

Key Highlights

27%#
Board gender diversity

64%#
Independence of the Board

~15 years
Average tenure of the Senior Management at the Bank

Material Topics Covered Here

- Data Security and Resilient IT Systems
- Regulatory compliance
- Data Privacy
- Business Ethics
- Corporate Governance
- Brand Recognition

Capitals Covered

Intellectual Capital

Contribution to SDGs

#These numbers are as of June 2024



Corporate governance, transparency, accountability and ethics are fundamental pillars that guide our business practices in our attempt to achieve the highest governance standards. Our policies, systems and procedures are crafted to effectively communicate our values, priorities and strategy throughout the organization. Our governance approach is firmly grounded in the principles of accountability, responsibility, integrity, independence, and transparency. Through our diverse and independent Board, comprehensive policies, vigilant oversight mechanisms, and robust cybersecurity measures, we strive to create a culture of integrity, transparency and responsible banking.

The Bank's Board of Directors ("Board") safeguard and enhance shareholders' capital, by ensuring Board independence, management effectiveness, legal compliance, timely disclosures and responsible leadership. Key policies adopted are the Policy on Board Diversity, Vigilance Policy, Whistle Blower Policy, Policy against Sexual Harassment in the Workplace, Policy for determination of materiality of events or information and the Insider Trading Code of Conduct. Our list of key policies can be found on pages 419-421 of the report.

Composition of the Board[1]

Our Board comprises a blend of Independent, Non-Executive and Executive Directors, with Independent Directors constituting half of the Board at the end of FY 23-24. The Independence of the Board is 64% and the gender diversity of the Board is 27% as on the date of publishing of this report. The directors are distinguished professionals in various domains, cognizant of their fiduciary duties and are committed to fulfilling stakeholder expectations.

The selection and appointment of Directors is governed by guidelines from the Banking Regulation Act, 1949 ("BR Act"),

[1]*GRI 405-1*

Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Reserve Bank of India's (RBI) directives. Our Board consistently meets the stipulated criteria under Section 10(A)(2) of the BR Act and RBI circulars. Upholding our diversity policy, we ensure a rich mix of perspectives, skills and backgrounds among Board members, thereby enhancing our capacity to fulfil banking requirements and governance mandates effectively.

Our Board has established various Board and key Management Committees to deal with specific matters and has delegated powers for different functional areas. These committees oversee specific areas and assist the Board in fulfilling its responsibilities. We place minutes of all Board Committees before the Directors. Details of these Committees may be found on page 307 in the Report on Corporate Governance forming part of the Directors' Report.

Fostering a culture of ethics[2]

Our policies, systems and procedures have been designed with the intent of communicating our values, priorities and strategy across all levels of the organisation. We review our policies periodically and make the necessary modifications to ensure compliance with the most recent regulatory requirements and industry best practices.

Our ethical framework is embodied in our Code of Conduct (CoC), guiding employees and Directors in their interactions with all the stakeholders, nurturing a culture of integrity, professionalism and mutual respect. New employees receive CoC training upon joining and may take a refresher course thereafter. We empower our employees to champion responsible behavior in their daily activities by actively integrating our corporate values and principles into their work. Regular training sessions ensure employees stay abreast of our policies, procedures and values. We also undertake regular awareness building initiatives to keep them up to date with evolving practices. Bank's employees have undergone trainings on anticorruption policies such as, AML standards and KYC norms for Banking and Insurance completing 39,662 of total training hours.[3]

Our anti-bribery and corruption strategy is enshrined in Code of Conduct and Vigilance Policy. The AML Policy, including stringent Know Your Customer (KYC) guidelines, undergo annual review by our directors. To oversee anti-corruption measures, a Vigilance Unit is in place. Additionally, we have a Insider Trading Code of Conduct guiding responsible share trading practices. Our list of key policies can be found on pages 419-421 of the report.

Our Vigilance Policy approved by the Board, outlines the roles and responsibilities of the independent vigilance unit. The management is responsible for instituting anti-corruption measures in the Bank, and for looking into the acts of misconduct alleged against or committed by employees. Also deemed necessary are appropriate preventive measures to avoid misconduct or malpractices by the employees.

Roles and Responsibilities of the Vigilance Committee

Overseeing
preventative and detective vigilance policies

Administration
of Whistle Blower Process

Guiding
management on vigilance aspects

Investigating
transactions involving suspected employee misconduct

Providing
impartial advice on disciplinary cases involving a vigilance angle and recommending appropriate actions

Investigating
complaints against employees involving a vigilance angle and recommending appropriate actions

Reviewing
interactions with outsourced agencies or vendors

As part of our vigilance mechanism, internal operating guidelines delineate appropriate conduct and approval processes. A Board-approved delegation matrix for expense and credit approvals is in place and is reviewed regularly. Additionally, automated workflows for purchase orders, payments and credit approvals are also in place. Background checks and credit credentials checks are conducted for new employees. Furthermore, the business units and functions also have their own policies and processes defined and adherence to them is monitored by the Internal Audit and Risk Control Unit (RCU) teams.

A vigilance clearance is required for movement of employees to high-risk roles. High value fraud cases are reported to the Special Committee of the Board for monitoring and follow-up of Frauds. This committee reviews such cases, monitors investigations, ensures accountability and strengthens internal controls.

[2]GRI 2-23, GRI 2-24, GRI 3-3, GRI 205-2 | [3] GRI 205-2

Governance

Employees are required to report any unusual events immediately. A vigil mechanism has been implemented through the adoption of Whistleblower Policy with an objective to enable any employee or director or third party to raise genuine concern or report evidence of any activity that may constitute:

1. fraud, malpractice;
2. unethical business conduct;
3. violation of laws, rules, regulations and/or any other regulatory or judicial directives;
4. impropriety, abuse or wrong doing; etc.

The Whistleblower Policy is available on the Bank's intranet and the website, and we ensure sustained communication for awareness through regular emails, and employee training programs.

Our subsidiaries' policies, procedures and practices are also aligned with the Group's overall values and principles. Throughout FY 2023-24, no legal actions pertaining to anti-competitive behaviour were recorded[3].

Update on supervisory action by RBI

The Bank had received an order dated 24th April, 2024 ('Order') from RBI, inter alia, directing the Bank to cease and desist, with effect from 24th April, 2024 from on-boarding new customers through the Bank's online and mobile banking channels; and issuing fresh credit cards. The Order was based, inter alia, on the deficiencies observed by RBI in the Information Technology (IT) Examinations of the Bank, for the years 2022 and 2023.

The Order does not impact servicing and cross-sell of products (excluding issuance of fresh credit cards) to the existing customer base through all channels and does not impact on-boarding of new customers through channels other than online/mobile banking channels. We have taken concrete steps to adopt new technologies to strengthen our IT systems and continues to work with the RBI to swiftly resolve the issues, at the earliest. The management has evaluated the impact of the Order and assessed that there is no impact on the going concern and has no material impact on financial statements, including internal financial controls over financial reporting and on our operations.

Information Security and Data Privacy

At Kotak, our aim is to deliver digitally enhanced services tailored to our customers' diverse needs. We prioritise safeguarding data integrity and system security through our resilient IT infrastructure. All employees undergo mandatory cybersecurity and data privacy training, guided by our Information Security and Cybersecurity Policy. The Policy also guides us in proactively monitoring internal and external infrastructure to detect and respond to any vulnerabilities in a timely manner. Oversight of our cybersecurity strategy is entrusted to our Chief Information Security Officer (CISO).

We comply with regulatory requirements and data protection laws, including the regulations set by the Information Technology Act, 2000 and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, Unique Identification Authority of India (UIDAI), as well as the European Union's General Data Protection Regulation (GDPR), wherever applicable. Our Privacy Policy sets the expectations with respect to the behaviour of Kotakites and third-party vendors, when it comes to the collection, use, retention, transfer and disclosure of any personal data belonging to them or customers. In early August 2023, the Indian Parliament passed the Digital Personal Data Protection (DPDP) Act, 2023 that will govern how entities who process users' personal data. In regard to this Kotak took an initiative to carry out DPDP Act gap assessment activity and the implementation of DPDP Act will be initiated once the act is enforced by the central government issuing a notification for the same.

Our Governance Framework for managing technology and cybersecurity risks is structured around a three-line defence system, detailed as follows:

Lines of Defence

1st	2nd	3rd
Information Technology (IT) Team and Business Units	**Chief Information Security Officer (CISO) who reports to the Head of Risk Management**	**Internal Audit**

Clear controls and mechanisms are in place to identify and address cybersecurity risks. The Bank has implemented controls in the following areas:

1. Prevention
2. Detection
3. Response
4. Recovery

[3] *GRI 206-1*

To ensure optimal and appropriate use of computer systems within our organization, we have established an Apex Information Technology Policy. The policy is designed to safeguard the integrity, reliability and availability of our IT systems while promoting their effective utilisation. Developed with the objective of strengthening our IT infrastructure, it applies to all individuals associated with the Bank, including all employees, consultants, contractors, third parties and vendors. The policy offers comprehensive guidance for managing violations and exceptions. Concerns pertaining to information and cybersecurity by employees can be reported to the Bank's round-the-clock Security Monitoring Team at a designated email address.

Our Approach to Cybersecurity

As a Group, we acknowledge the potential disruption of cyber threats and have implemented a comprehensive cyber-resilience framework to address risks such as data breaches, malware and denial-of-service attacks. In this reporting period, the Bank focused on two areas, Risk and Resiliency along with Growth and Transformation. Consistently investing to fortifying our IT systems has also been an integral part of the process.

Below is the summary of key initiatives undertaken to enhance operational stability and drive innovation.

1 Risk and Resiliency

- Improved uptime and stability metrics for critical applications
- Established an Architecture Review Board (ARB) and created Cloud 2.0 architecture blueprint for information security and operational resiliency
- Implemented a service management tool

2 Grow and Transform Initiatives

- Launched various DIY journeys in Consumer and Commercial banking segments, including small business loans, top-up loans and corporate salary services
- Onboarded over 300 experiences and skilled engineers
- Launched a cutting-edge customer service request platform
- Introduced a developer portal

3 Ongoing IT Investments

- Accelerate the execution of the comprehensive plan for core banking resilience
- Ensure sustainable compliance with the Baseline Cyber Security Framework for Banks
- Strengthen security controls on digital payments

Our ISO 27001 certified Information Systems have the potential to identify malicious behaviour, supported by regular cyber exercises and third-party security evaluations to ensure its effectiveness. Each digital product undergoes thorough cybersecurity risk assessment before launch and monitoring thereafter. Periodic audits and thematic assessments, such as risk evaluations, stress tests, and RED team exercises etc., are conducted regularly to bolster technological safeguards and mitigate potential incident impacts.

We inform our customers on privacy protection concerns, including the collection and use of their information, data protection, and third-party disclosure policy among others. We have a dedicated email address for reporting cybersecurity incidents. Our implementation of a layered technology architecture, Disaster Recovery (DR) and Business Continuity Plans (BCP) helps us manage risks effectively.

Our Business Continuity Management (BCM) Policy guides proactive risk mitigation, continuity of key service, with critical units regularly testing the BCP. Annual review of the BCP is conducted to ensure continual improvement. Testing is conducted half yearly, and the results obtained are communicated periodically. The same results are also submitted to the regulator. The Bank also has defined a Cyber Crisis Management Plan (CCMP) and an Incident Management Procedure which is tested periodically.

Trainings Provided to Augment IT Security

As a part of our commitment to cybersecurity, every new team member undergoes thorough induction training, which includes specific modules on cybersecurity awareness. Additionally, to ensure that our workforce stays updated on the latest information security procedures, all employees are required to attend an annual course. The Information Risk Management (IRM) and/or Chief Information Security Officer (CISO) teams regularly communicate security tips and updates to employees, fostering a well-informed workforce and promoting a culture of cybersecurity awareness. We also conduct regular awareness sessions to help employees recognize phishing scams, malicious software, enhancing data security in the process. These annual security trainings are mandatory for all Kotakites and our vendors. To assess staff awareness, monthly phishing drills are also conducted.

Classroom trainings are provided to employees on data security on a need basis, where a self-paced learning module is made available to them. This equips Kotakites with relevant and necessary information in the same. In this reporting period, 68,700+ employees received a total of 2.04+ lakh hours of trainings on data security. Education on Cybersecurity is also imparted to the Board.

Moreover, our induction training program "KONE" covers cybersecurity awareness for new employees and they also complete an annual Information Security Course on our Learning Management System (LMS). Furthermore, we conduct a phishing awareness exercise, periodically to reinforce employee awareness.

At Kotak, business ethics and corporate governance are entrenched in every aspect of our business and decision-making. We strive to align our business practices with the highest governance standards. Our processes are designed with a strong emphasis on sound governance practices.

Embracing Sustainability

Transforming for a sustainable future

Key Highlights

₹ 6,000+ cr
Green asset book*

~27 lakh
Active microcredit women borrowers till FY 24

33% & 45%
of total branches and micro ATMs of the Bank are located in rural and semi-urban locations respectively

7%+
share of renewable power used by the Bank

12
LEED/IGBC certified offices

6
Organic waste converters (OWCs) with total 250+ kg/day capacity



Relevant Material Topics

- Corporate Governance
- Promoting Green Finance
- ESG and Climate Risk Management in Lending and Investments
- Financial Inclusion and Social Development
- Operational Eco-Efficiency and Resilience to climate change

Capital Linkage

Financial Capital | Natural Capital | Social and Relationship Capital

Contribution to SDGs



**as per green activities/projects indicated in RBI's 'Framework for acceptance of Green deposits' issued in April, 2023.*

At Kotak, we integrate social and environmental considerations into our strategy and operations through a robust ESG Policy Framework, supported by subsidiary specific ESG policies. The ESG Policy framework covers six focus areas, which address material topics relevant to our industry and organization. We are cognizant that sustainable practices and an appropriately trained workforce is imperative to contribute to sustainable development. As a responsible financial institution, we proactively recognize the environmental impact of our operations and embrace our role in driving a sustainable future across the sectors we influence.

In FY 2023-24, we conducted a materiality assessment aligned with GRI 3: Material Topics 2021 guidelines and guided by the double materiality principles of ESRS which considers both financial and impact dimensions. This two-pronged approach ensures that we account for both the risks and opportunities posed by ESG topics and their broader societal and environmental implications. Details on this assessment are provided in the 'Stakeholder Engagement and Materiality Assessment' section found in pages 42-45. This assessment bolsters our ESG strategy and disclosures, helps identify impacts, and contributes to risk management and transparency.

ESG Governance and Oversight[1]

The Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR and ESG Committee") of the Board is responsible for managing and providing strategic direction, inter alia, for the Bank's ESG performance and strategy. The details of the Committee's terms of reference are given on page 316 of the Corporate Governance section of this Report. As of March 31, 2024, following individuals were the members of the CSR and ESG Committee

- Chair of the CSR & ESG Committee of the Board- Mr. C.S. Rajan (Non-Executive Chairman, Independent)

Other members

Dr. Ashok Gulati (Independent Director)	**Mr. C Jayaram** (Non-Executive Director)	**Mr. Ashok Vaswani** (Managing Director & CEO)

It is to be noted that Mr. C. Jayaram completed his term as Non-Executive Director on 30th April, 2024 and Ms. Shanti Ekambaram (Deputy Managing Director) has become a member of the Committee. The Committee plays a pivotal role in guiding the Bank's ESG strategy and driving action across the focus areas outlined in our ESG policy. Their guidance provides us with clear direction and momentum to strengthen ESG aligned practices in the short, medium and long term. The committee oversees compliance with relevant ESG regulatory requirements, tracks progress against set goals, and reviews the Bank's ESG disclosures.

The ESG function at the Bank is the nodal team responsible for implementing the ESG policy framework, analysing ESG performance across functions, and communicating progress through reports to internal and external stakeholders, including the CSR & ESG Committee of the Board. An ESG taskforce comprising of representatives from relevant functions and group companies facilitates implementation of this framework.

In our pursuit of creating value for stakeholders, we have established an ESG policy framework that aligns our strategy, processes and disclosures with both national and international standards. We have six focus areas outlined in the ESG policy framework indicated below

- Corporate governance
- Enhancing customer experience
- Creating an empowered workforce
- ESG integration in risk management
- Managing climate risk and caring for the environment
- Community development

For detailed insights into each focus area, refer to our **Environment, Social and Governance Policy Framework** document which came into effect from 1st April, 2022. Key performance indicators are identified for each focus area, driving specific action to improve our ESG performance with the help of the ESG taskforce.

Over the past few years, we have undertaken a review of our internal policies to ensure alignment with various ESG disclosure standards. This has enabled a transformative approach to some of our key practices and has served as a bedrock of ESG performance.

To induce ESG awareness and integration within our workforce, we are developing structured training programmes. These programmes would equip our relationship managers, risk managers, credit analysts and other teams to understand the relevance of ESG in their respective domains. Our Code of Conduct (CoC) for service providers also incorporates expectations from our partners on labour practices, ethics, anti-corruption and environmental stewardship.

We also engage with regulatory bodies, industry associations and think tanks to contribute towards formulation of policies that contribute to sustainable development. Our membership with the Climate Finance Leadership Initiative (CFLI) India since 2021, and active participation in various working groups of industry associations underscore our commitment to advancing sustainability within the industry. We also are part of the Sustainable Markets Initiative, Indian Banks' Association, Confederation of Indian Industry, FICCI, and CDP (formerly the Carbon Disclosure Project). For more details on our engagements, please refer to page 414 of this Report.

[1] GRI 2-12, GRI 2-14

Embracing Sustainability

Advancing ESG in our Core Businesses

We are integrating ESG aspects across the Bank and its subsidiaries.

Kotak Mahindra Bank

At the Bank, our ESG Management Systems Plan (EMSP or the Plan) has been designed based on the IFC guidelines as well as other ESG evaluation frameworks. EMSP aids in identifying, managing and reviewing ESG risks in eligible transactions in our portfolio. It also covers the roles and responsibilities of administering and overseeing the Plan, as well as for facilitating training to relevant roles and functions. This Plan is subject to periodic review to ensure alignment with evolving ESG regulations and guidance frameworks.

The EMSP lays out the criteria to conduct due diligence and evaluation of select borrowers using an ESG lens. The plan also categorizes the borrowers based on the potential of the sector which a company belongs to, impact social and environmental aspects through their business activities. The Plan indicates specific checklists for assessment which depends on the nature and category of the transaction. Capital expenditure and working capital loans above particular size and tenor thresholds are covered in the Plan for evaluation, that gives a score to be included in the credit assessment note, which is to be adjusted downwards for high-risk borrowers. Additionally the EMSP outlines an exclusionary list, implementation of which is subject to periodic supervision and monitoring.

In FY 2023-2024, the Bank has also put in place Board approved Green and Sustainable Finance frameworks that articulate our approach to addressing the evolving regulations and customer expectations. We are working towards implementing these frameworks by strengthening our systems and training our workforce towards channeling capital for environmentally and socially beneficial projects. As of March 31, 2024, we have a green asset book of more than ₹ 6,000 crore which is as per green activities/projects indicated in RBI's 'Framework for acceptance of Green deposits' issued in April, 2023.

Some of the key transactions undertaken in the reporting period

1

Our presence in renewable energy segment includes loans towards
a) two renewable energy greenfield solar power projects in Bikaner with an aggregate capacity of **541 MW** for large private sector developers
b) towards a Renewable energy Infrastructure Investment Trust



2

Commercial banking division disbursed loans totaling **₹ 412 crore** across solar energy projects, waste management initiatives, and water infrastructure projects promoting efficiency

3

Allocated a total of **₹ 263 crore** under SME loans such as bio-gas energy generation and distribution and other non-conventional energy projects

4

Funded the **'Suraksha Smart City'**, an affordable housing project in Vasai. Approximately 50% of this project falls under the Affordable Housing in Partnership scheme of Pradhan Mantri Awas Yojna (Urban)

In a move towards responsible investing, our Private banking division is consciously trying to identify ESG-compliant funds and track them. As on March 31, 2024, we have on-boarded seven different ESG strategies within the listed equity space to provide clients with sustainable investment options.

Kotak Mahindra Asset Management Company

Kotak Mahindra Asset Management (KMAMC) is the first Indian asset management company to become a signatory to PRI - supported by the United Nations. KMAMC is also a signatory to Climate Action 100+.

KMAMC uses the Business, Management and Valuation framework for fundamental analysis along with an ESG framework called the 3E strategy (Evaluation, Engagement and Exclusion).

Evaluation

Uses 3rd party ESG scores into its investment process, with assessment of companies based on public information, by considering factors such as climate change, talent management and board composition.

Engagement

Incorporates ESG principles into its stewardship strategy guided by a stewardship code and a proxy voting policy found on its website, a dedicated voting committee oversees this policy.



Exclusion

Sector specific exclusions which is fund and mandate specific; screening out companies involved in activities such as controversial weapons, tobacco, gambling or alcohol.

The Kotak ESG Exclusionary Strategy Fund mandates all the investee companies in the fund need to have a BRSR report, 65% of the AUM to be in those companies with a core BRSR report from Oct 1, 2024, prioritizing investments in companies that display transparency and accountability. KMAMC serves on the AMFI ESG Advisory Committee, and its senior management engage directly with policy makers through several responsible investment committees including one within the SEBI.

Kotak Mahindra Asset Management Singapore (KMAMS)

Among our International subsidiaries, KMAMS is also a signatory to the PRI - supported by the United Nations, and a part of Climate Action 100+. Similar to KMAMC, KMAMS also integrates ESG considerations into its BMV framework using the 3E strategy to all stocks under coverage and is integral to various strategies and mandates managed by them.

In their named ESG funds, KMAMS limits and/or excludes direct investments in issuers with exposure to sectors with significant ESG concerns. While some mandates may not have strict ESG exclusions, their investment philosophy integrates ESG at every level of assessment. Among environmental factors, KMAMS monitors carbon emissions, energy consumption, resource efficiency, alternative energy use and adherence to climate-related regulations. With respect to social indicators, the focus remains on employee safety, retention, diversity and corporate social responsibility. Under governance, the assessment includes shareholder structure, board composition and independence and ethical behaviour.



[3]*https://www.kotakmf.com/kotakflipbook/docs/download/Voting_Policy_AIF_2021*

Embracing Sustainability

Kotak Alternate Asset Managers Limited (KAAML)

As an advocate of responsible investing, KAAML has streamlined its governance system and has formed an ESG Committee. This committee is responsible for providing strategic direction, supervising policy execution and ensuring consistency across fund strategies.

With the oversight of ESG Committee, KAAML has also established an ESG Policy Framework, with the primary objective to provide guidance to the business verticals, which manage various pools of capital for multiple asset classes including Private Equity, Real Estate, Infrastructure, Special Situations, Listed Strategies and Investment Advisory. The KAAML ESG Policy, effective from 2021, is applicable to select funds managed by KAAML as determined by the ESG Committee from time to time. It guides the Business Verticals in developing specific Fund Level Environmental and Social Management System (ESMS) consisting of a policy, principles, procedures and guidelines.

KAAML endeavors to introduce new funds that comply with national and state government objectives for environment and societal development. These funds prioritise fair labour practices, safe working conditions, community livelihood restoration and grievance mechanisms, aligning with international industry standards.

Additionally, Kotak Infrastructure Investment Fund (KIIF), managed by KAAML, has developed its own ESG Policy and an ESMS that integrates leading ESG practices into the investment process. The ESMS focuses on monitoring and mitigating environmental and social risks through an environmental and social action plan that is developed post due diligence by third-party domain experts. These action plans are developed to educate investee companies about ESG risks and mitigation approaches.

KAAML has also started incorporating ESG risk scores into client equity portfolios, using these to educate clients about potential ESG risks, calling their attention to benchmarking with the Nifty index. KAAML expanded its impact in affordable housing by financing mortgage companies catering to this segment and supporting real estate projects that integrate social housing, addressing the needs of underserved market segments.



Kotak Mahindra Prime Limited (KMPL)

KMPL, our auto financing subsidiary, is expanding its asset book by financing electric, hybrid and energy efficient vehicles, contributing to sustainable mobility goals. In FY 2023-24, lending to electric 2-wheelers increased by 78% in terms of units and 99% in terms of value, as compared to the previous reporting period. In the same period, EV car financing increased by 80% in terms of units and 77% in terms of value.



Kotak Life Insurance (KLI)

Life insurance offers financial protection to individuals and their families, safeguarding them against unexpected events such as death, accidents, or illnesses. In the fiscal year 2023-2024, Kotak Life insured 2.35 crore lives across different strata of society, through both its group and individual platforms.

Through "Kotak Pradhan Mantri Jeevan Jyoti Bima" product, KLI offers affordable protection to the mass market, up ₹ 2 lakh cover at a nominal price of ₹ 436 per annum. During FY 2023-24 KLI enrolled about 46 thousand customers under this product through its bank partners.

KLI also offers micro-insurance services to borrowers from socially and economically disadvantaged groups who have availed micro loans from banks and NBFCs. This micro insurance covers repayment of pending loan amount in the event of the borrower's death, securing the financial future of the borrower's family. In FY 2023-24, KLI covered ~1.91 crore lives of micro loan customers of its banks and NBFCs partners under the group platform, achieving a 74% YoY growth.

Additionally, KLI provided coverage to 89+ lakh individuals from the social sector, accounting for 37% of its total business, surpassing the regulatory requirement of 5%. In the rural sector, KLI issued approximately 79,000 policies, representing 23% of the total policies, once again exceeding regulatory requirements.

One of KLI's products, 'Kotak Guaranteed Fortune Builder' offers a unique feature called 'Premium Break' for women customers. This allows a one-year premium payment break for women during childbirth or upon diagnosis of specific illnesses, ensuring policy continuation and benefit access. Additionally, KLI offers additional benefits or premium discounts in many of its products for women customers to encourage them to buy life insurance products.



Financial Inclusion

At Kotak Mahindra Bank, we are committed to promoting Financial Inclusion through tailored initiatives and products for underbanked locations and underserved segments, including small and marginal farmers, women borrowers, micro-enterprises and underserved communities. We drive efforts such as priority sector lending and servicing through MicroATM and Aadhaar Enabled Payment System (AePS). We offer Microcredit Loans and other asset products to ensure access to frequently used affordable financial services. Through these efforts, we aim to foster financial inclusion and economic empowerment across traditionally underserved community segments.

During FY 2023-24, we took active measures to achieve our identified strategic objectives that align closely with meeting government obligations while creating a cost effective distribution network.

Participation in Government Schemes

Our Bank actively participates in numerous government lending schemes and delivers services under various government initiatives

During FY 2023-24, we undertook several key initiatives:

1

Disbursement of loans under multiple government sponsored schemes such as PM Street Vendor's Atma Nirbhar Nidhi (PMSVA Nidhi), Pradhan Mantri Mudra Yojna (PMMY), and Stand-up India Scheme and Atal Pension Yojana (APY) scheme

2

As on March 31, 2024, we have disbursed **15,000+** collateral free working capital loans for street vendors under PMSVA Nidhi, recording over 120% increase from the previous year

3

5 lakh+ Basic Savings and Deposit Accounts opened for the unbanked Pradhan Mantri Jan Dhan Yojana (PMJDY), promoting the national mission for financial inclusion

4

1,35,000+ Atal Pension Yojana (APY) subscriptions, with more than **90,000** sourced in FY 2023-24 with the aim to provide financial stability to the unorganized sector after retirement by granting pension. About 50%, i.e. over **47,000** of the year's subscriptions came through the pre-login link feature.



Expansion of the Distribution network of Business Correspondents (BC)

As part of our efforts to expand our distribution network, we leveraged BSS Microfinance Limited (BSS) BC services and partnered with other corporate BC networks.

Key highlights of the financial year include:

- As of March 31, 2024, we digitally opened 4 lakh+ savings accounts, with about 68% in rural and semi-rural areas. BSS facilitated over 3 lakh+ of these accounts, of which **45%** were opened in FY2023-24.
- Bank established over **4,000** micro-ATM outlets nationwide, with about **45%** in rural and semi-urban locations, processing more than **7.22 lakh** transactions
- Over **15,000** AePS points were set up for transaction services, facilitating over **51 lakh** acquiring transactions and 22 lakh issuing transactions during FY 2023-24
- Over **90,000** Aadhaar update and enrollment transactions at customers' doorsteps across 23 locations in India using our 23 Aadhaar on Wheel vans, particularly aiding senior citizens, hospital, differently abled individuals and pregnant women
- Conducted periodic training camps, with over **3,000** camps conducted in FY 2023-24, to educate and empower customers to utilise mobile banking functionalities and other digital applications, supported by our extensive network of business correspondents
- Integrated social security schemes into our mobile applications, allowing customers to effortlessly access these benefits
- Enabled Aadhaar-based e-KYC that uses face authentication via a mobile app developed by UIDAI. Offered to savings account holders via partner channels such as BSS Microfinance

Our financial inclusion strategy reflects our commitment to diversity and inclusion. We empower women through tailored offerings such as Joint Liability Group loans. Approximately, 33% of our total bank branches are located in the rural and semi-urban areas.

The acquisition of Sonata Finance Pvt. Ltd., a microfinance institution, (Sonata) at the end of FY 2023-24, strengthens our presence in rural and semi-urban markets in northern India, furthering our goal of increasing financial access for women. Sonata has collaborated with impact investors and Development Finance Institutions (DFIs) like Water.org, UK AID, and SIDBI to enhance its capacity and reach. Through these partnerships, Sonata was able to disburse 53,000+ WASH loans in FY 2023-24, promoting safe sanitation and drinking water access. The creation of a digital village in Amaniganj showcases Sonata's efforts to promote digital financial transactions, reducing costs and improving accessibility. A compelling example is Annu from Gosainganj, who used a Sonata WASH loan of ₹ 30,000 to complete her family's toilet construction, eliminating her need to use distant, unsanitary public facilities and significantly improving her quality of life.

Financial Literacy

We conduct literacy camps through our rural branches to educate customers on effective banking service usage, promoting meaningful financial inclusion. During FY 2023-24, we conducted over 3,000 such camps for the beneficiaries. We also regularly conduct various digital campaigns to educate customers, especially those individuals belonging in the underserved segments. Sonata Finance has conducted financial customers, especially those individuals belonging to the literacy workshops, educating approximately 6,000 clients on responsible borrowing and money management.

Priority Sector Lending

We continue to pursue a robust strategy for achieving the regulatory targets of Priority Sector Lending (PSL). The Bank strongly believes that PSL plays an important role in financial inclusion and sustainable development of the country. Hence, we continue to grow PSL advances across all business verticals that contribute towards overall PSL achievement for the Bank.

In FY 2023-24, our annual average PSL (including purchase and sale of PSL certificates), was 44.06% of the applicable adjusted net bank credit (ANBC) for the year. We met regulatory targets for PSL and its sub-categories, achieving 18.25% for agriculture, 10.40% for small and marginal farmers, 13.89% for non-corporate farmers and 9.94% for micro-enterprises. The annual average PSL achievement for weaker sections was ~14.55%. .

Integrating ESG in operations

The ongoing transition to a low-carbon economy presents both challenges and opportunities for our sector. We believe that proactively working towards environmental sustainability aligns with our core values and contributes to the long-term resilience and prosperity of our business and the communities we serve. We recognize the importance of transitioning towards 'Phygital' service delivery while adopting efficient and effective environmental management practices. Our focus remains on responsible resource utilization, conscious energy reduction measures and procurement practices aimed at minimising our environmental footprint.

Aligned with our ESG Policy Framework, our Environmental Policy prioritises reducing energy, emissions, water usage, and waste management, demonstrating our commitment to environmental responsibility. We implement effective procedures and improve monitoring mechanisms to track our environmental footprint as well as address any adverse impacts of our operations on the environment. This policy helps in ensuring regulatory compliance, effective environmental management, monitoring Greenhouse Gas emissions and environmental performance, utilisation of clean energy alternatives and emphasises on the need to conduct stakeholder awareness sessions.

Aligned with the national goals, the Kotak Mahindra Bank has embarked on a journey towards developing a comprehensive decarbonisation strategy. We intend to address our carbon footprint across various facets of our operations. Besides operational eco-efficiency, we are also aware of the climate related risks that our operations and portfolio are subject to and are attempting to address them. Details of how we approach climate risks can be found on page 51 of Risk Management section.



Having comprehensively covered reporting of scope 1 and 2 emissions for the Group, we are working towards managing our emission intensity. Apart from various energy saving measures, increasing the share of electricity from renewable sources will be a focus for us going forward. We have already taken decisive steps this year by using 2.6x renewable power in FY24 compared to the previous year.

Shanti Ekambaram
Deputy Managing Director
Kotak Mahindra Bank Limited

Embracing Sustainability

Environmental Stewardship[4]

We are committed to environmental sustainability, with our CSR and ESG committee overseeing environmental management alongside other ESG areas. The Board of Directors actively ensure alignment with the Bank's long-term sustainability goals, emphasising the transition towards low-carbon, climate-resilient business operations. Dedicated teams track environmental performance and we periodically monitor our environmental footprint across locations including subsidiaries. We have implemented initiatives to enhance environmental sustainability across corporate offices, branches and ATM network.

The Bank's approach to minimise our operational environmental footprint revolves around four pillars:

- Digitalisation
- Renewable energy procurement
- Responsible resource utilisation
- Waste management

Utilising available technologies for resource efficiency and clean energy sources is a priority at the Bank. We are using renewable energy at three of our larger corporate offices (accommodating over 8,500 employees annually) amounting to 33,271 GJ in FY 2023-24, which is 2.6x compared to the renewable energy consumed in FY 2022-23. This contributes to more than 7% of the total purchased electricity at the Bank.

Our operations have grown in scale during the reporting period and some methodologies for collation of data have also been revised, which have helped us increase the boundary of reporting on certain parameters. Our commitment to enhance our environmental performance grows and expands along with our business.

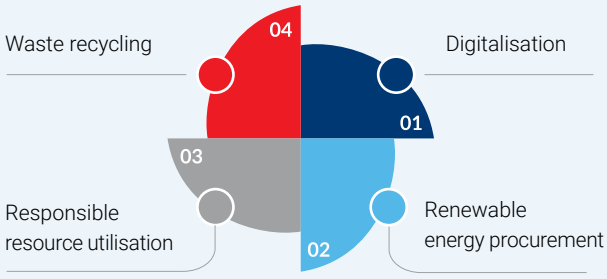
Energy Management[7]

Our energy consumption stems from purchased electricity being consumed at our corporate offices, bank branches and ATMs and independently managed subsidiary premises, along with fuel (diesel) consumed from diesel generators. The energy consumption from diesel for the Group is 17,256.2 GJ[5].

Our electricity demands are met through a mix of renewable and non-renewable sources of energy. With the inclusion of new premises, our reporting boundary for energy covers 207 corporate offices, 1,948 bank branches, 1,052 off-site ATMs which are managed by the Bank and 1,538 subsidiary branches. The energy intensity for the Group is 4.86 GJ/FTE[6]. It is to be noted that electricity consumption covers only those premises that were operational for more than six months during the financial year, while fuel consumed has been accounted for all premises that have diesel generators.

In FY2024, we methodically monitored our energy consumption and other resource consumption across all our facilities to ensure efficient resource utilisation and minimise our environmental footprint. There has been a significant progress in our energy management efforts, with a notable increase in the quantity of green energy utilised in comparison to the previous year.

Pillars of minimizing operational environmental footprint

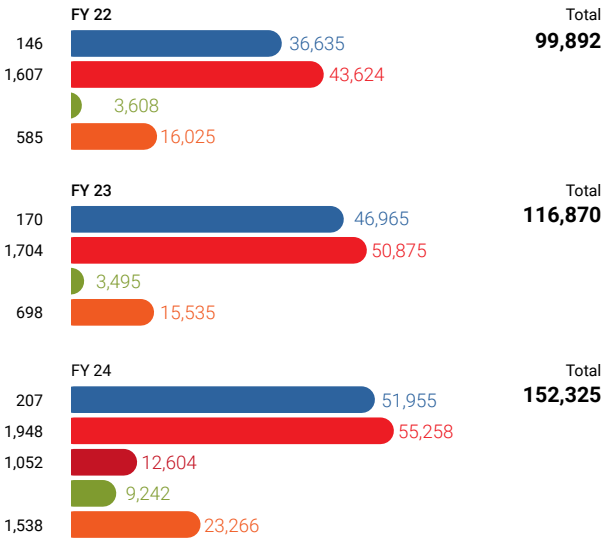


Over the past few years, we have implemented various energy reduction initiatives to minimise emission generation from our operations. In the previous reporting period, we had completed the transition from traditional lighting systems to energy efficient lighting (LEDs) for our branches, achieving a total monthly reduction of 163 GJ. These efforts continue to contribute to an annual avoidance of over 3,800 tCO_2e of greenhouse gas emissions.

Furthermore, 12 of corporate offices are LEED/IGBC certified, where approximately 23% of the Bank's workforce operates. LEED and IGBC certified buildings not only promote resource efficiency but also enhance better indoor air quality, contributing to the health and well-being of occupants. According to the LEED framework, such buildings typically achieve energy savings between 20 to 30% and water savings between 30 to 50%. These environmentally conscious designs enhance air quality, maximise natural light in indoor spaces and conserve natural resources, aligning with our commitment to sustainability and employee welfare. Additionally, we ran a pilot in April 2023 and installed power saving devices at 100 ATMs and achieved annual energy savings of 12%; we are further working towards expanding this pilot to 100 other locations.

[4]GRI 3-3 | [5]GRI 302-1 | [6]GRI 302-3 | [7]GRI 302-4

Group's Electricity Consumption (MWh)[5]



Premise count is given on the left side of the bars

All Corporate Offices · Bank Branches · Renewable Energy · Offsite ATMs · Subsidiary Branches

Refer BRSR Principle 6, leadership indicator 1, page 408 for more details on Energy consumption of the Bank

Notes

- *Coverage of reporting has been enhanced to include 37 new corporate offices, 240+ new bank branches and 1,000+ off-site ATMs and 840 additional subsidiary premises from last year, and hence the data is not comparable to previous year*
- *Inclusion of off-site ATMs alone contribute to 11% increase; In FY 2023-24, we have changed our methodology and reclassified 9,024.2 tCO_2e emissions previously categorized under Scope 3 Upstream leased assets category to Scope 2 as these are under the Bank's operational control (for FY 2022-23 such amount was 6,273.73 tCo_2e)*
- *Energy consumption has increased across premises owing to more employees returning to work and due to enhancement of office space*
- *Electricity consumption covered only those premises that were operational for more than six months during the financial year*
- *It is to be noted that renewable energy procured for three of our large corporate offices through open access has gone up significantly to 2.6x compared to the previous year*
- *Until FY 22, the total electricity bill amount was used for estimating units of electricity consumed, wherever consumption data was not available. Since FY 23, electricity usage in kWh has been reported from those offices where the management has electricity usage information and for other offices the electricity usage has been calculated basis the average percentage paid towards energy charges through sampling of electricity bills sourced from various premises across regions*
- *For premises, where neither billing amount nor consumption data was available, we have estimated consumption based on data from similar premises*

Energy efficiency and energy saving initiatives at Kotak Mahindra Bank[7]

Here are the some of the energy conservation and emission reduction[5] endeavours, which also include new initiatives introduced during this reporting period

Maintenance of temperature control around 24^{0}C for air conditioned premises at our larger offices

Pilot testing of an AI-driven module for monitoring energy consumption of air conditioners

We regularly communicate with our branches to avoid unnecessary consumption and promptly address any significant increase in electricity bills

Utilisation of non-emergency light fixtures with occupancy and daylight sensors to enable energy savings during non-occupancy hours

Implementation of sensor-based lighting systems and timer-controlled lighting across facilities. Signages with timer-control are being used across all our branches

Transition from physical servers to virtual servers that reduces both energy consumption and resource utilisation

All electronics are serviced regularly and any faulty or damaged appliances are replaced immediately

Energy-efficient lighting systems, specifically LEDs replaced traditional lighting fixtures across all facilities

We seek to purchase energy-efficient electronic equipment to minimise our environmental impact

Implementation of pressure-independent Variable Air Volume (VAV) systems for optimised air distribution to facilitate temperature control as per user requirements and ensure energy savings during non-occupancy periods

Green House Gas (GHG) Emissions

We have been expanding the coverage of premises for our Scope 1 and 2 emissions gradually having achieved full coverage of all offices, branches and ATMs (where we have operational control). For this reason the GHG emissions for this year are not comparable with the previous year. We utilised actual consumption data for computing emissions, wherever available and have relied on representative data such as expenditure or asset inventory to estimate emissions from certain sources such as diesel and refrigerants. The details of Scope 1 and Scope 2 emissions are covered in subsequent segments. We refer to the methodologies provided by the GHG Protocol and Intergovernmental Panel on Climate Change for calculating Scope 1, Scope 2 and Scope 3 emissions.

[5]GRI 302-1 | [7]GRI 302-4

Embracing Sustainability

Scope 1 emissions[13]

Our Scope 1 emissions include emissions from diesel consumption, refrigerant leakage in ACs and purchase of fire extinguishers from all Bank-managed premises such as corporate offices, branches and ATMs. In the financial year 2023-24, our total Scope 1 emissions for the Group amounted to 10,352.7 tCO_2e. For FY 2023-24, we have estimated diesel consumption using amount spent on purchase of fuel and the average fuel rate across states. The methodology has been changed in the current year to include all offices and branches of the Bank and subsidiaries. Thus the data is not comparable to previous year.

We have also estimated emissions from refrigerants using the asset inventory for the cooling units using representative data from Bureau of Energy Efficiency and TERI. Similarly, we have estimated the emissions arising out of refrigerant leakage for subsidiaries, considering that each of the independently managed subsidiary premise has an AC of 1.5 ton capacity. For fire extinguishers, data for the Bank was based on actual purchases of equipment, while we estimated the emissions for subsidiaries by considering 2 kg capacity fire extinguisher at each site with an equal split of appropriate type fire extinguisher across independently managed subsidiary premises. It is to be noted that fire extinguishers are replaced immediately after use or upon the expiration of their warranty. Refer BRSR Principle 6 Essential Indicator 7, page 410 for more details on Scope 1 emissions information related to the Bank. Coverage of reporting has been enhanced to include 37 new corporate offices, 240+ new bank branches, 1000+ off-site ATMs, and 840 additional subsidiary premises from last year.

Scope 2 emissions[14]

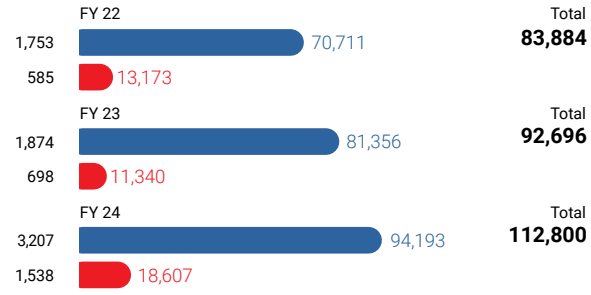
During the reporting period, our total Scope 2[7] emissions were 1,02,447.5 tCO_2e generated from purchased electricity from all corporate offices, branches and ATMs managed and operated by the Bank and independently managed subsidiary premises. In FY 2023-24, off-site ATMs managed by the Bank are a new addition in Scope 2 emissions for the Bank. For the previous reporting period these were being accounted under 'Upstream leased assets' category of Scope 3. This alone has accounted for 11% increase in emissions and hence the data for this year is not comparable with the previous year. The ATM premises which are vendor managed are added to the 'Purchased goods and services' category of Scope 3.

Our electricity consumption consists a mix of renewable (solar and wind) and non-renewable sources. The calculation of scope 2 emissions for FY 2023-24 is based on the latest emission factor for electricity published by the Central Electricity Authority (CEA) adjusted for cross-border electricity transfers including RES & Captive power injection into grid.

Scope 1 and 2 Emission intensity

Kotak Mahindra Group observed an emission intensity of 0.97 tCO_2e/FTE, while the Bank's emission intensity stood at 1.21 tCO_2e/FTE, depicting an understandable increase from the preceding year. Refer BRSR Principle 6 Essential Indicator 7, page 410 for more details on GHG Emission intensity information related to the Bank. The

Kotak Mahindra Group's Scope 1 and 2 emissions (tCO_2e)



Premise count is given on the left side of the bars

Bank Offices, Branches and offsite ATMs Subsidiary Branches

Notes

- *Scope 1 emissions for the Bank for FY24 are estimated for all the premises together so we are representing total Scope 1 and 2 emissions for the entire Bank together (without the premise breakdown) in the graph above.*
- *Inclusion of off-site ATMs has contributed a majority of the increase in emissions. Electricity consumption covered only those premises that were operational for more than six months during the financial year.*
- *It is to be noted that renewable energy procured for three of our large corporate offices through open access has gone up significantly to 2.6x compared to the previous year.*
- *Scope 1 coverage includes emissions from firefighting equipment, diesel consumed in DG sets and AC refrigerants.*
- *Until FY 22, the total electricity bill amount was used for estimating units of electricity consumed, wherever consumption data was not available. Since FY 23, electricity usage in kWh has been reported from those offices where the management has electricity usage information and for other offices the electricity usage has been calculated basis the average percentage paid towards energy charges through sampling of electricity bills sourced from various premises across regions.*
- *For premises, where neither billing amount nor consumption data was available, we have estimated consumption based on data from similar premises.*
- *Emission factors published in IPCC AR6 and CEA have been used for the calculation of total Scope 1 and 2 emissions.*
- *Refrigerants from offices and branches have been estimated based on the annual leakage rate of total air conditioners in the premises.*
- *In FY 2023-24, we have changed our methodology and reclassified 9,024.2 tCO2e emissions previously categorized under Scope 3 Upstream leased assets category to Scope 2 as these are under the Bank's operational control (for FY 2022-23 such amount was 6,273.73 tCo2e)*

Scope 2 emissions for FY 2-23-24 is not comparable with previous year, as we additionally covered 1000 + offsite ATMs which were not part of Scope 2 emissions in the previous year. It may also be noted that there has been an increase in offices and branches across the Group. Estimating emissions from fuel via actual spending and covering emissions for refrigerants through using owned fixed assets improves the completeness and accuracy in our emission disclosures. This also serves as a refined baseline for our Scope 1 and 2 emissions. Refer BRSR Principle 6 Essential Indicator 7, page 410 for more details on Scope 1 and Scope 2 emissions of the Bank.

[13]GRI 305-1 | [14]GRI 305-2

Bank's Emission Intensity[16] Trend - FY 24 tCO_2e per/FTE



Group's Emission Intensity[16] Trend - FY 24 tCO_2e per/FTE



Notes

- *Coverage of reporting has been enhanced to include 37 new corporate offices, 240+ new Bank branches, 1,000+ off-site ATMs, and 840 additional subsidiary premises from last year.*
- *FTE refers to full time employees on board at the end of the financial year.*
- *It is to be noted that emission intensity for Bank covers emissions from the Bank premises which also includes area shared with the subsidiaries, however only Bank employees are considered for calculating the intensity. Group intensity additionally covers independently managed subsidiaries and Group employees.*
- *Emissions have increased across premises owing to more employees returning to work and due to enhancement of office space. It is to be noted that renewable energy procured for three of our large corporate offices through open access has gone up significantly.*

We are actively shaping a forward-thinking decarbonisation strategy, in alignment with India's environmental goals. Through a scenario analysis exercise conducted in FY 2022-23, we had projected our Scope 1 emissions and Scope 2 emissions over the short, medium and long term. This exercise helped us to gauge the efforts needed for emission reduction, such as ramping up renewable energy utilisation and adopting cleaner alternatives. One of the associate outcomes of this exercise is the increased uptake and utilisation of renewable energy at our larger corporate premises through the year. We also initiated the installation of roof-top solar across three bank-owned sites in Karnataka, for a total capacity ~62 kWh.

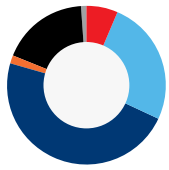
Scope 3 emissions[15]

In the fiscal year 2023-24, our Scope 3 emissions cover six categories including capital goods, fuel and energy-related emissions, purchased goods and services, business travel, company-enabled employee commute and waste generation.

Total Scope 3 emissions amounted to 47,005.3 tCO_2e, calculated in accordance with GHG Protocol guidelines. Major source of Scope 3 emissions are from the waste disposed, capital goods such as vehicles procured for employee use and IT equipment, and business travel. While the assessment comprehensively captures significant emission sources, categories such as processing of sold products and downstream leased assets are currently not included. Our efforts continue to focus on refining methodologies to understand sources of indirect emissions and identifying opportunities for reduction to further environmental sustainability. Refer BRSR Principle 6 Leadership Indicator 2, page 413 for more details on Scope 3 emissions of the Bank.

Kotak Mahindra Bank's Scope 3 Emissions (tCO_2e) - FY 2024

Purchased Goods & Services	6.6%
Capital Goods	25.4%
Fuel & Energy Related Activities	47.5%
Waste Generated in Operations	1.8%
Business Travel - Air & Rail	17.7%
Employee Commute	1.0%



Total Scope 3:
47,005.3 tCO_2e

Notes

- *In the current financial year, we have considered the boundary of scope 3 emissions to be Bank on standalone basis*

Scope 3 categories explained

Category 1: Purchased Goods & Services cover paper related emissions. It also covers other consumables such as stationary supplies and emissions from purchased electricity from our vendor managed off-site ATMs. Supplier specific emission factors have been used to calculate emissions from paper and other consumables sourced from CEA.

Category 2: Capital Goods cover IT equipment and ATM machines, vehicles procured for employee use, office fixtures & equipment and the services include civil & interior work fee and software and systems etc. Capital goods have been considered based on additions in Fixed Asset Register. World Input Output Database emission factors are being used to calculate the same.

Category 3: Fuel & Energy Related Emissions cover emissions from the electricity lost due to AT&C Losses and emissions associated with extraction, transport, refining, purification and/or conversion of primary fuels (diesel) to direct usable form. Emissions have been calculated based on emission factors sourced from CEA and DEFRA 2022.

Category 5: Waste Generated in Operations cover all the wastes generated from our operations under both hazardous and non-hazardous categories such as paper and cardboard, plastic, metal, organic, construction & demolition, battery, biomedical, used oil and E-waste. Emission factor for treatment of all waste categories have been sourced from DEFRA 2022. For the computation of waste quantities please refer to the box covering methodologies used under waste management.

Category 6: Business Travel covers emissions generated from air (domestic and international) and train travel. The distance travelled is estimated using sources available in the public domain. The applicable emission factors have been sourced from India Specific Air Transport Emission Factors, 2015 for domestic travel, DEFRA 2022 for international travel and India Specific Rail Transport Emission Factors, 2015 for rail.

Category 7: Employee Commute cover emissions generated from third party managed buses and cabs offered by the company. The applicable emission factors have been sourced from India GHG Programme 2015 and DEFRA 2022.

[15]GRI 305-3 | [16]GRI 305-4

Emission reduction Initiatives

Installation of electric vehicle charging stations at key offices to encourage the adoption of electric vehicles and support eco-friendly commuting options.

Adoption of CFC-free refrigerants like R134A in HVAC systems to reduce environmental footprint and comply with sustainable practices.

Optimisation of air conditioner refrigerant emissions to minimise greenhouse gas emissions, aligning with our commitment to environmental stewardship.

Replacement of Precision Air Conditioners (PAC) with Hybrid Air Conditioners utilising R407C Refrigerant to further reduce our greenhouse gas emissions and enhance energy efficiency.

Low-emission tubular batteries for power backup instead of traditional generators.

Using Ceasefire fire extinguishers, preferably the MAP-90 model, which emits low carbon.

Incorporation of low-VOC, low-emission materials in construction and maintenance activities across our premises to minimise environmental impact and ensure occupant health and safety.

Water Management

Recognizing the importance of water management given India's susceptibility to water risk, we address water consumption through various means. In our corporate offices located in major cities, water withdrawal primarily occurs from municipal corporations and tanker services, while a few larger offices have their own bore wells to draw water from the ground, which is not a significant amount. Given that our operations are not water-intensive and the primary use of water is for human consumption for drinking and for sanitary facilities, we have estimated the water withdrawal basis the Bank's total employee head count considering 45 liters/day/person as the average water consumption provided by Indian Standard 1172: Code of Basic Requirements for Water Supply, Drainage and Sanitation (1993). This change in methodology has been adopted because most of our premises are leased and water consumption data is not accessible since it is paid as part of rent. Water consumption is calculated by subtracting water discharged from water withdrawal. The amount of water discharged was calculated by using the methodology indicated by Central Pollution Control Board (CPCB).

The total water withdrawal[10] for the Bank is 8,52,455.6 KL, inclusive of water usage for drinking and other purposes at all premises where employees are located. Furthermore, three of our largest corporate offices actively utilise recycled water in toilets, underscoring our commitment to water conservation and sustainability. We also have rainwater harvesting facilities available at five premises, which facilitate water conservation. The harvested water is mostly used to recharge the ground water table and at select locations is used for flushing purpose or horticulture.

In our ongoing efforts to reduce water consumption, we have implemented various initiatives, including the installation of low-flow plumbing fixtures in buildings. These fixtures help minimise water usage without compromising functionality or user experience. We also continuously prompt our employees to conserve water by avoiding misuse and encourage them to report any faulty taps or leaks in washrooms for prompt repairing or replacement. Water discharged is considered as 80% of the water withdrawn from source based on CPCB's report 'Status of water supply, wastewater generation and treatment in class-I cities & class-II towns of India'*. Accordingly, it is assumed that of the total water withdrawal, 20% is consumed[12]. In FY 2023-24, 6,81,964.5 KL of water has been discharged[11] from the Bank premises.

Waste Management[17,18]

At Kotak Mahindra Bank, we are committed to sustainable practices, including efficient waste management across all our premises. Our waste management efforts primarily focus on e-waste and battery waste, stationary waste and organic waste from our canteens. Other categories such as construction waste, plastic waste, biomedical waste and scrap metal, may not be material to the financial services industry given the nature of our business. To facilitate waste segregation, we provide dedicated collection bins for dry and wet waste. We engage with authorised vendors for the disposal of e-waste, battery waste and other potential hazardous wastes (used oil while maintenance of generator sets) generated from our facilities.

A significant aspect of our waste management strategy is the utilisation of organic waste converters (OWCs) at six corporate office premises. These OWCs efficiently convert food waste into manure, which is utilised for landscaping within our premises and in specific areas, distributed to nearby housing societies.

Our comprehensive coverage of waste generation data indicates generation of[19] 1,193.7 of tonnes of waste across all facilities. Of this, 177.3 tonnes of the generated waste was either reused or recycled[20]. Notably, 10.3 tonnes of our hazardous waste, including used oil and e-waste, was recycled by authorized vendors and 1,016 tonnes was sent to landfill which includes the disposed plastic waste as well.[13] Due to the comprehensive coverage of waste data in FY 2023-24, there is a significant increase compared to the previous year and is not comparable to the data presented for FY 2022-23.

Furthermore, 166.2 tonnes of non-hazardous waste was recycled[20] or diverted from disposal, with 84.2 tonnes recycled on-site through OWCs. A minimal amount of hazardous bio-medical waste 0.003 tonnes was given to authorised vendors which was incinerated.[13]

We intend to work towards enhancing our data systems for waste, even as this topic is not considered material for the financial services sector. Details of waste generated can be found at page 411 of the report.

[10]GRI 303-3 | [11]GRI 303-4 | [12]GRI 303-5 | [13]GRI 306-5 | [17]GRI 306-1 | [18]GRI 306-2 | [19]GRI 306-3 | [20] GRI 306-4 |
** dated December 24, 2009*

Methodology for Waste Calculation

During the previous year, the data for various categories of waste was primarily reported for the corporate offices and bank branches based on available data. During the current year, we have adopted different methodology and our assumptions used to estimate and disclose such data are explained below:

E-Waste- We are considering the quantity of e-waste recycled through authorised vendors to also reflect the e-waste generated through the year. It is to be noted that we maintain e-waste data to help us identify electronic items ready for disposal, which may be recycled out of the reporting period.

Biomedical waste- This gets generated and disposed from only two of our corporate offices which have on-site medical facilities and has been estimated for one using the data shared by the other. This waste is given to the authorized vendors for safe disposal.

Construction waste- we have calculated the average waste generated per square feet of renovation at our larger offices to estimate waste generated at other premises that underwent renovation during the year. This has led to significant increase and hence, the data is not comparable with the previous year

Battery waste- This was disposed from select corporate offices and has been calculated using the same. This waste is given to the authorized vendors for safe disposal.

Paper and cardboard waste- This is assumed to have come from total paper procured for our offices during the year. Recycled paper is taken at actuals and the rest is assumed to have gone to landfill. This change in methodology has led to significant increase in waste to landfill for FY 2023-24. Hence the data is not comparable with the previous year.

Used Oil- For estimating used oil, we are relying on the average waste generated from the premises with this data based on the generator capacity, and extrapolated it for all other premises with owned electric power generators with similar capacity.

Metal waste- This was generated from select corporate offices and has been calculated using the same. This waste is given to the authorized recyclers for safe disposal.

Glass waste- This was generated from select corporate offices and has been calculated using the same.

Organic waste- Based on the food waste generated in our larger corporate offices we have estimated waste generated for other offices where data was not available. We have done a similar exercise to estimate plastic waste for corporate offices. This change in methodology over previous year has led to increase in waste to landfill for FY 2023-24.

Due to the comprehensive coverage of waste data in FY 2023-24, there is a significant increase compared to the previous year and is not comparable to the data presented for FY 2022-23.

Waste Management Initiatives at Kotak Mahindra Bank

- Prevention of Single Use Plastic (SUP)
- Usage of Organic Waste Converters (OWC)
- Minimisation of food wastage
- Responsible disposal of e-waste
- Paper waste minimisation through technological intervention

Other environmental initiatives

1. We engage with our suppliers to procure sustainably towards minimising environmental impact throughout our supply chain
2. We also conduct employee awareness sessions to strengthen the awareness on environmental principles across the organisation.
3. In FY 2023-24, 98% of our personal loan business transitioned to digital formats. This not only improved transaction processing time but also saved consumption of paper.
4. We have implemented default duplex printing on all printers and stopped the dispatch of physical account statements in envelopes. More than 2.5 crore sheets were saved due to this initiative.

At Kotak, we make conscious efforts to integrate ESG principles into our business operations. These principles help us in strategizing our risk management processes. Our actions, guided by the ESG policy framework, cover a vast spectrum of sustainability-related causes. We continue to expand our financial inclusion initiatives with the aim to empower the underserved and unbanked communities, ensuring equal opportunities for all. By engaging with regulators, industry bodies, and think tanks from time to time, we are committed to drive positive change.

We will continue our initiatives to reduce resource consumption, including energy and water, and mitigate our operational impact on the environment through energy efficiency measures and increased usage of renewable energy.

We maintain transparency in reporting our ESG performance and accountability mechanisms to ensure responsible practices. By adopting various initiatives in accordance with the evolving regulatory landscape, we are committed to creating lasting value for our stakeholders while simultaneously contributing to a sustainable future.

Generating Value for Customers

Re-imagining customer experience

At Kotak, we are committed to nurturing and strengthening relationships with our customers. Our customer-centric approach integrates advanced digital capabilities with market insights to enhance customer satisfaction. Our suite of digital products and solutions cater to their diverse needs across various segments, enabling a "holistic customer experience" approach.

We are dedicated to implementing robust systems and processes to safeguard customer data, aligning with leading industry practices. By combining innovation in digital solutions with data security, we strive to deliver efficient and reliable services that create value for our customers while strengthening Kotak's position as a trusted brand committed to customer needs.

Key Highlights

22% ▲
Growth in the Bank's customer base from 41 million to 50 million

22% ▲
Increase in Consumer Assets

81%
Customer grievances resolved within stipulated turnaround time

13 point
Increase in R-NPS score for consumer banking segment*

Material Topics Covered

- Data Privacy
- Customer Centricity
- Brand Recognition

Capitals Covered

Social and Relationship Capital

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS



▲ *YoY | *Improvement in score over the period December 2022 to January 2024*

We believe that efficient, effective and periodic engagement with customers is crucial for building trust and gaining on-ground insights into their preferences. We have instituted and implemented multiple policies (as listed on Pg. 391 of the BRSR) to embed a responsible customer-centric approach in our business operations.

Our Board-level Customer Service Committee (CSC) oversees performance related to customer experience and satisfaction. The Committee meets every quarter to analyse and provide guidance on measures to further strengthen performance. The CSC defines and closely monitors quantitative and qualitative targets specified for various parameters pertaining to customer service. The CSC conducts meetings with the relevant stakeholders regularly to discuss topics that span across engagement, technology, banking and products in context to customer feedback.

We have a comprehensive service framework to monitor a range of indicators for assessing both customer engagement and service delivery. Customer engagement metrics include the level of service and digital activation by customers, while service delivery indicators include complaint resolution effectiveness and first-contact resolution among others. We also keep track of how our customers perceive us, our services and our brand via social media platforms. This robust service framework maps these quality indicators to the performance of our employees specifically responsible for ensuring customer satisfaction.

Recognising the importance of customer experience as a key differentiator in a highly competitive market, we have developed our customer experience team into a center of excellence and a critical part of the Bank. The team is responsible for evaluating and addressing our customer feedback to identify areas of improvement across all customer segments. The team interacts with customers through various mediums viz phone calls, emails, in-person meetings at the branch and social media channels for independent feedback. Our commitment to delivering exceptional customer experience ensures this responsibility is shared across all functions and business units.

At Kotak, we track Net Promoter Score (NPS) to gauge customer satisfaction, which is monitored at two levels, Relationship NPS (R-NPS) and Transaction NPS (T-NPS). Tracking the R-NPS offers us insights into customers' overall perception of the Bank. Regular NPS surveys help us measure satisfaction and identify areas for further enhancement, ensuring we consistently meet and exceed customer expectations. The Bank also has a philosophy of defining and closely monitoring quantitative targets specified for various parameters pertaining to customer services.

We complement this with annual surveys that are conducted across wealth management, SME, commercial and wholesale banking segments. Retail banking surveys are conducted every six months to capture more frequent feedback. Mystery shopping service is utilised by private banking segment to evaluate the branches from multiple perspectives – service offerings, staff conduct and overall customer interactions. We aim to improve the experience of our consumers based on the feedback of such an exercise.



Generating Value for Customers

Enhancing Customer Experience

We are focused on transforming our processes through digitalisation and being the preferred banking partner for our customers. At the Bank, we are actively implementing various customer experience and engagement initiatives to proactively address the evolving needs of our customers and enhance the quality of service we provide. For example, to improve customer services, the SME vertical of Wholesale Banking has undertaken various initiatives towards improving customer contactability, simplifying customer on-boarding process, and providing customers with digital platforms such as FYN. In consumer banking, we have initiated WhatsApp channel for certain loan products where loan related information is offered. These initiatives streamline communication and provide convenient self-service options. We also invest in training our front-line staff to engage with our customers effectively.

Our clients interact with various touchpoints across the Bank and its subsidiaries (KMPL, KMIL, Kotak Securities, KAAML, among others). The Customer Experience team ensures consistency across these interactions by continuously acting on feedback to improve omni channel experiences and bridge any gaps. Our relationship management teams, through physical branches and virtual Relationship Managers across the customer contact centres engage with customers telephonically and digitally. These interactions provide valuable insights into customers' financial product usage and decision-making processes while allowing us to evaluate and refine our service delivery. Through these engagements, our customer-facing teams conduct root-cause analysis and identify potential process bottlenecks, enabling us to implement changes in policies, processes and technology, so as to make banking simple, safe, reliable and delightful for our customers.

We recognise data analytics as the cornerstone of our growth strategy. It is integral to our operations across customer acquisition, on-boarding, servicing, upselling, cross-selling, risk assessment, fraud detection and process optimization. Our data infrastructure, spanning multiple market cycles, enables sophisticated modelling of customer behaviour patterns and preferences, significantly contributing to growth in lending and deposits. Aligning with our technology-driven innovation strategy, we have expanded our team with over a hundred data science and engineering experts, underscoring our commitment to personalised, data-led customer service.



Customer Grievance Redressal Mechanism[1]

A key component for customer centricity is to address concerns expressed by our customers and provide prompt and efficient service. The Bank follows a holistic approach towards setting up service standards and continuously improving customer experience based on market practice as well as customer feedback across multiple channels. We have a multi-channel robust customer grievance redressal mechanism for managing customer grievances across all our operations. Implementation of Salesforce CRM which has replaced multiple systems in the Bank, makes it easier for the frontline team to access information seamlessly thus helping address customer issues much faster. This system ensures acknowledgement, end-to-end tracking and categorisation of the complaints raised to enable root-cause analysis.

The Bank aims to ensure quick and effective handling of customer grievances, as well as prompt, corrective & preventive action (including correction of the process, wherever required) in order to avoid the recurrence of grievances. We have implemented a three-tier escalation system for complaints: Level 1 (Customer Experience Centre, Net Banking/Web form, Branch, PO Box), Level 2 (Nodal Officer), and Level 3 (Principal Nodal Officer).

In accordance with RBI recommendations, we have established an Internal Ombudsman role. This independent authority reviews all customer grievances before any complaint is rejected. The Internal Ombudsman's decision is binding on the Bank, ensuring an unbiased assessment of customer issues. If a customer remains unsatisfied with the Bank's response or does not receive one within a month, they can escalate their complaint to the Banking Ombudsman. Information about this process is readily available on our website. We have specialized teams dedicated to handling complaints escalated to the Senior Management or the RBI Banking Ombudsman under our Grievance Redressal desk. This multi-tiered approach ensures thorough and fair resolution of all customer grievances, reinforcing our commitment to customer satisfaction and regulatory compliance.

We also actively focus on resolving customer complaints in a timely manner. Every complaint has a specified turnaround time and customers are informed about it at the time of registering of the complaint. Customers are also provided educational communication on grievance redressal and the process for escalation. The emphasis is on direct communication with Relation/Service Managers and, pursuant to this, all the customer complaints are registered into our Salesforce system and tracked rigorously for resolution within the Turn Around Time (TAT). In FY 23-24, 81% of customer grievances resolved were resolved within stipulated TAT. To effectively track status on pending complaints, an outstanding complaints ageing report is published on a regular basis. An assigned team tracks and reports the analysis of complaints every quarter to the Board-level Customer Service Committee and the regulator.

With the enhancements in our digital applications and growing social presence, customers are able to raise complaints from the mobile banking applications, company website and social media platforms. We also provide customers the flexibility to share their grievances through mediums comfortable to them. All our customer-facing employees are trained to effectively handle customer communications via multiple mediums.

This year we also launched the Care Index, a composite score that ranks branch performance on customer-focused metrics. This index provides insights by benchmarking each branch's performance against internal expectations and other branches nationwide. These initiatives coupled with staff training, have yielded significant improvements in Consumer banking: an average 8% decrease in top 6 call volumes received at our customer experience centre and a 5% drop per 1,000 customers in BO complaints.

Our subsidiaries have also put in place robust customer grievance redressal systems. KSL tracks and resolves complaints via Salesforce CRM, adhering to strict TAT. This year, KSL enhanced their digital self-service portal, resulting in 88% of requests for these services being sourced digitally. KSL also improved their statement request processing during ITR filing season, leading to over 18% drop in repeated request raised to the Customer Service. KSL has a dedicated Social Media team for tracking mentions across various platforms such as Twitter, Facebook, LinkedIn, YouTube, and more. This team monitors messages on these platforms and prioritizes resolving clients' concerns. They also track the handles of Senior Leadership team members to ensure that clients receive superior service when they escalate any issues.

At Kotak, through our comprehensive approach to engagement, experience enhancement, and grievance resolution, we attempt to create lasting value for our customers. By leveraging our digital capabilities, data analytics, and robust service framework, we aim to meet the expectations of our customers. We focus on continuous improvement and personalised services to adapt to their evolving needs and strengthen our role as a trusted financial partner.



[1]GRI 2-25, GRI 2-26

Empowering Colleagues

Nurturing a people-first culture

At Kotak, our colleagues are the cornerstone of our Company's success and the gateway to new growth opportunities. Our goal is to create a dynamic workplace that values diversity, promotes well-being, and helps our colleagues reach their full potential.

Key Highlights

1.16 lakh+
Full-time Employees (FTE) at our Group

26.2%
Women Employees at the Bank

77,921
FTE of the Bank

~15 Years
Average tenure of senior management at the Bank

14%
y-o-y (46% to 40%) reduction in employee turnover at the Bank

Material Topics Covered

- Employee Health and Well-being
- Employee Development and Engagement
- Diversity, Equity and Inclusion

Capitals Covered

Human Capital

Contribution to SDGs





We are committed to creating a future where our colleagues thrive through continuous learning and growth, a culture of appreciation and transparent communication, and comprehensive benefits. We are strengthening our strongest asset, our people, through our efforts to create a personalised value proposition for every colleague and to empower them to deliver value.

Shanti Ekambaram
Deputy Managing Director
Kotak Mahindra Bank Limited

Overview of our workforce[1]

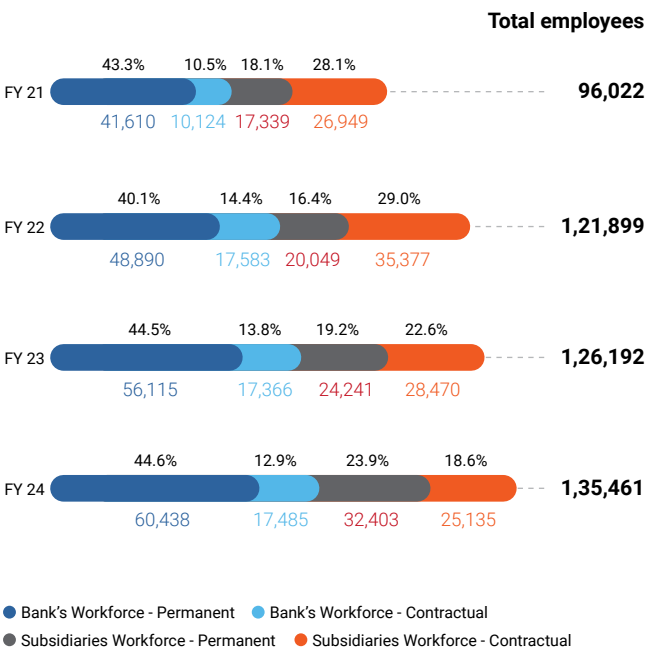
We value our colleagues and strive to foster an inclusive and collaborative environment. As on 31st March, 2024, the total employee strength of the Group was over 1.35 lakh, as compared to 1.26 lakh a year ago. In FY 2023-24, we hired 74,576 employees at the Group, with 87% of them being full-time employees. As on 31st March, 2024, about two-thirds of workforce in the Group are permanent employees while there are 1.16 lakh full-time employees in the Group (excluding ~19,000 part-time employees who work as an insurance brokers). Overall employee turnover at the Group reduced by 12% in FY2023-24 compared to previous year.

[1] *GRI 3-3, GRI 2-7*
[1] *Please refer page 387, BRSR, Section A, Question 20.*

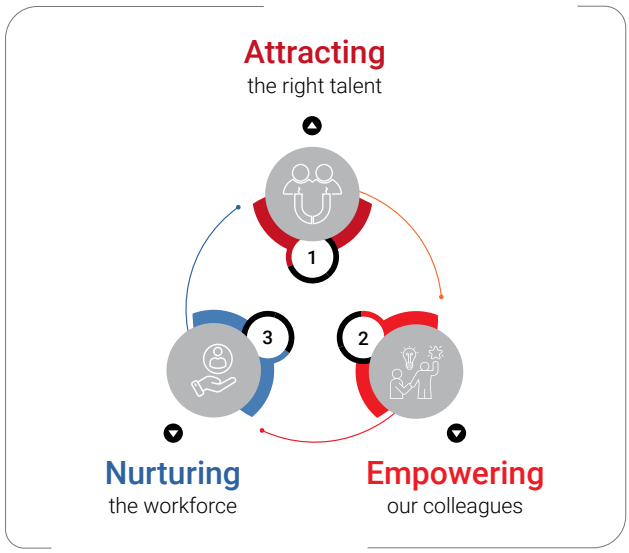
There are now 77,921 FTE and 2 part-time employees at the Bank. Average tenure at the Bank for mid-management was above 6 years in FY 2023-24, while among senior management, it was nearly 15 years. We provide opportunities for movement within the Group, and 300+ colleagues from within the Bank have realigned their career path. This year, we increased focus on employee wellness, engagement and development. This has led to a 14% y-o-y reduction (46% to 40%) in employee turnover[2] rate at the Bank compared to FY 2022-23. Please refer to Section A-22, page 388 in the BRSR for employee turnover of the Bank.

Our people strategy is centred on creating an inclusive and diverse workplace environment. Building vibrant, dynamic, and future ready talent at the Group is a crucial element of our strategy. We provide growth opportunities for our young workforce and currently have 750+ employees under the age of 30 who hold middle management positions at the Group. We have been witnessing a steady growth in our permanent workforce over the past two years from 57% to 69% at the Group. A significant portion of the Group's workforce is young with nearly 50% under the age of 30 across temporary and permanent roles. Women colleagues make up 25.7% and 26.2% of the Group's and Bank's workforce respectively.

Our growing global workforce



Our holistic approach to employees



1 — Attracting
the right talent

At Kotak, we acknowledge the importance of technological preparedness to stay ahead of the curve. Our attempt is to equip ourselves with the right talent by identifying an agile and tech-savvy workforce that can meet the needs of our customers.

Our talent acquisition strategy, structured around Hire-Train Deploy (HTD) model, enables us to foster a robust pipeline of role-ready talent. We have also strengthened our off-campus and lateral hiring from top-tier organisations. We have launched the Kotak NextGen Bankers Programme in association with Manipal Academy of BFSI, where eligible graduates of any specialisation can apply. This is a 12-month Post Graduate Diploma programme in Relationship Banking wherein candidates undergo classroom and on-the-job training by industry experts. This is followed by an internship with the Bank, and post completion of the programme, students may join the permanent workforce of the Bank.

As we strengthen our digital focus, we have undertaken transformative initiatives such as amplified intake from STEM (Science, Technology, Engineering, Mathematics) campuses, and reorganised roles with a deep focus on improving digital capabilities. We aim to curate a more diverse workforce and encourage a stronger representation of women at Kotak by focusing on attaining female talent with diverse qualifications.

[2] *GRI 401-1*

Empowering Colleagues

2 — Empowering
our colleagues

At the Bank, we invest in the careers of our colleagues and foster their professional development by providing training opportunities. From recruitment to retirement, we are committed to supporting colleague. We rely on data-driven systems to derive insights on employee engagement, development and satisfaction. Upon getting the feedback, we build resource strategies for our crucial roles, learning opportunities, and career advancement for our colleagues.

In addition to assisting with career development via training, we facilitate our colleagues' advancement through a structured performance management system. The conversion of organsational goals into employee-driven outcomes is made possible by a goal-setting framework. Special focus remains on strategic, leadership, and financial goals that are set during annual planning sessions. We assure openness and fairness in our performance review process by enabling feedback sessions on a periodic basis. We also train first time managers on sharing and receiving feedback from teams. All the Bank's eligible colleagues received performance and career development assessments in FY 2023-24. As a result, 11% of our permanent workforce at the Bank were promoted to higher positions in the reporting period.[3]

We use our learning platform to provide training on a variety of policies implemented by the Bank, including information security awareness, Code of Conduct, AML Standards and KYC Norms, and Prevention of Sexual Harassment. We ensure all our new employees undergo these trainings while the existing employees are required to confirm adherence to the Code of Conduct via an annual acknowledgement.

At the Bank, our training approach has evolved to a hybrid mode in recent years. Our training programmes utilise state-of-the-art digital infrastructure that delivers a unified, seamless and consistent experience across both physical and virtual environments. These focuses on developing functional skills, soft skills, organisational culture, leadership capabilities and emerging opportunities. In FY 2023-24, 94% of Bank's employees undertook at least one learning intervention*.

Induction training programs cover the fundamentals of roles and responsibilities, functional knowledge and company orientation. We also offer training programs aimed at enhancing colleagues' communication, behavioural, managerial and leadership capabilities. In addition to the training initiatives that we have facilitated (listed in Table 01), we also offer programs such as digital and leadership courses covering use of Chat GPT, modules on interpersonal skills and personal brand building that workforce transitioning to new roles or functions or those nearing superannuation can undertake.[4]

We have introduced a new-age AI-based learning experience platform, Kotak MyLearn in November 2023, with a dedicated focus on continuous learning. This platform has a mobile version enabling our people to experience learning on the go. It includes a vast content library, tracks learning journeys and offers personalised recommendations.



KYLC Batch 2023-24

[3] *GRI 404-3: Please refer page 399, BRSR Section C, Principle 3, Essential Indicator 9*
[4] *GRI 404-2: Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.*
** Please refer page 392. BRSR Section C, Principle 1, Essential Indicator 1*

Table 01- Key Training programmes for employee development

Kotak Young Leaders Council (KYLC)

- Program aimed at enhancing mind-sets, skill-sets and tool-sets of young managers to navigate the banking industry's challenges and opportunities
- Participants are given the opportunity to shadow and receive mentorship from senior leaders
- In FY 2023-24, 40+ applicants across the Bank were selected giving them an opportunity to develop specific individual development career plans

DRONA

- Managerial program to build a culture of coaching and mentoring, and improve productivity
- Highly appreciated and was rated 4.8/5 by the participants
- Emphasizes upskilling in four areas – Hire Right, Develop Talent, Nurture Talent and Retain Talent, via 4 tracks that cater to these skills – Manager as Mentor, Manager as Trainer, Manager as Assessor and Manager as Coach
- 1,100+ managers have received the DRONA certification

Executive Education

- Collaboration with multiple IIM campuses for skills upgradation
- In FY 2023-24, 150 participants engaged in over 80 hours of curriculum to upskill themselves

Quantum Leadership Programme, 5th Cohort

- Leadership program for senior management aimed at developing strategic agility while dealing with disruption
- This guides them in navigating the challenges of current roles and prepares them for future roles
- Topics such as Reinventing Innovation, Exponential Growth Strategies, Transformational Leadership and Customer Centricity are covered
- Participants rated this program 4.8/5 on an average across cohorts

Kotak Young Leaders Council

The skills attained through this program act as catalysts for many Group level projects, driving both professional development and career enhancement.

Shradha Salaria
Associate Vice President, Financial Institutions Group-Sales

With the guidelines and structure of the program, I have found a new confidence in myself that continues to benefit me both personally and professionally.

Shradhda Somkuwar
Associate Vice President, Corporate Banking-Sales

Having the opportunity to interact directly with Kotak leadership has been truly enriching & fulfilling experience. It will surely help in preparing me for leadership roles in the future.

Rashi Agarwal
Senior Manager, Support Services-Human Resources

Empowering Colleagues

Testimonials for Drona

It has improved in various aspects, such as ability to present ideas and lead team huddles, showcasing tangible progress.

Tushar Patil, Samir Gandhi
Branch Manager, Ahmedabad

I was able to prevent attrition within my team by applying lessons from Drona, particularly in facilitating effective conversations and applying motivation techniques.

Kaleem Khan
Branch Manager, Bangalore

I have inculcated positive changes in my interactions with the team, especially in huddle sessions.

Deepak Kalra
Branch Manager- Delhi

I have started introducing new elements such as video learning during morning huddles, making it more engaging and productive experience.

Charmi Surmiya
Manager, Thane



Highlights of the Bank's training efforts in FY 2023-24

₹46 crore
was invested in training, leading to 41 training hours per employee[5, 6, 7]

48%
of the total recorded 32 lakhs learning hours are online self-paced sessions, with 52% offered by instructors across virtual and in-person modes[5]

99%
of the training hours spent by colleagues were on developing functional skills

27,554
colleagues undertook trainings on responsible debt collection

Key training initiatives by our subsidiaries

Kotak Mahindra Life Insurance Company Limited ('KLI') conducts Distribution Leadership Programs to equip their distribution partners with required skills for long-term career growth. They also offer Leadership Development Program powered by Cornell University to strengthen the organization's talent pipeline focusing on executive coaching and design thinking. Programs such as KLICK 40 under 40 and Future School recognise and prepare internal talent. The retention rate of these programs is outstanding, recording 92% and 96% respectively at the end of 31st March, 2024.

Our subsidiaries involved in investment businesses like Kotak Mahindra Capital Company Limited (KMCC), and Kotak Alternate Assets Management Ltd (KAAML) offer functional trainings on financial modelling, valuation, business excellence, high-impact presentation skills and artificial intelligence. Our larger microcredit subsidiary BSS Microfinance Limited (BSS) facilitates IIBF exam training and certification for its workforce.

[5] GRI 404-1, Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.
[6] The costs include cost of training staff, subscription for e-learning modules and conferences.
[7] To track training hours conducted via digital mode through the Bank's Learning Management system, we have assumed trainings to be of 45 minutes each for long duration courses and 15 minutes each for short duration courses.

3 — Nurturing the workforce

We believe a healthy, happy, engaged and encouraged workforce fosters organisational success. To achieve this, we promote overall well-being of our colleagues through various initiatives. We have also enhanced our focus on building colleague value proposition and strengthening our employee engagement strategy. We are working on improving gender diversity and aspire to have at least a third of our workforce represented by women. Our larger offices are subject to an annual health & safety management assessment. In addition to this, we are committed to preventing any violation of human rights throughout our operations, supply chains, communities and business relationships.

Focus on Employee health

We focus on creating a healthy work environment through our robust employee wellness programs. The group implemented an Annual Health Screening Policy for all Kotakites above 40 years of age belonging to certain grades. This pan-India program witnessed participation from 22% of our eligible workforce in FY 2023-24. Through multiple partnerships, this program was available at various clinics and benefitted about 2,000 people. We also offer health and wellness initiatives including yoga, meditation, Zumba and quiz sessions, online and onsite. Our "Health to the Power Infinity" website provides doctor consultations, nutritionist services, an Emotional Assistance Programme and pharmacy discounts with professionals available both on call and in-house. This year, about 250 employees and their family members availed the Emotional Assistance Programme for issues such as depression, anxiety, stress, and conflict management.

One of our subsidiaries, Kotak Securities Limited (KSL), encourages its staff members to take part in Stepathon, an annual health and fitness competition where employees work in teams to meet a daily step goal of 10,000 per person. HappyYou is a health and wellbeing app developed by KLI, which offers physical, mental and emotional wellbeing services and benefits for its employees and customers. Mental health counselling programs have also been launched by our subsidiaries KAAML and KMCC.

The meditation sessions and counselling resources have helped me manage stress more effectively, enhancing my productivity and work-life balance.

Tanvi Divekar
Product Manager

Kotak's regular wellness programs such as yoga sessions, health talks, and step challenges, have motivated me to adopt a healthier lifestyle.

Shankar Nadar
Housing Finance

I can conveniently get expert advice on any health concerns without taking time off work.

Gaurav Shirdhankar
Human Relations

We provide a wide range of benefits to our permanent employees, some of which are offered based on their function and grade. These benefits consist of superannuation[8], accident insurance, health insurance, parental benefits, provident fund and gratuity, details of which may be found under Principle 3 of Section C in BRSR. Stock ownership is offered to eligible employees. The Bank offers coverage to Kotakites under Term life, Personal accident policy and Health insurance policy. We also provide provide additional perks including a corporate credit card and business car for certain grades, and monthly fitness allowance, transfer allowance, house rent allowance and relocation fees to all colleagues. Additional incentives offered to women colleagues include customized learning programs, women-centric emotional support programs and travel entitlements.



[8] *GRI 401-2*

Empowering Colleagues



KWW Meet

KLI's Employee Wellness program focuses on creating awareness, providing resources and fostering a culture of psychological safety across four key areas, mental health, physical health, financial health, and social health. A Mental Health Café offers bi-monthly awareness sessions addressing several themes such as anxiety, depression and burnout. Over 1,200 employees attended these programmes. A significant number of leaders volunteered as Mental Health Champions and received certification to provide mental health first aid to peers and offer confidential one-on-one consultations. The Kotak Wellness Community, a group of 200+ employees, share health-related resources and suggestions via social media. Another employee group, the KLI Parents, facilitate monthly connections among parents and sessions with child psychologists and family counsellors to help families address modern day concerns.

Additionally, KMCC, KIE, and KAAML, along with conducting annual health check-ups have also launched "Care" initiative to address mental wellbeing of all employees. BSS with an employee base that is primarily field-based, conducts safety awareness campaigns with a particular focus on two-wheeler safety.

Employee Engagement

At Kotak, we foster a collaborative and inclusive work environment that priortises Talent Engagement. We have introduced and are in the process of implementing the following 5 pillars, guiding our approach towards enhancing talent engagement.

Providing the 'Best of Kotak' for Kotakites and their families,
offering differentiated and best-in-class products and services to colleagues

Culture of Appreciation
by recognising and celebrating colleagues

People development
through continuous learning, leadership development and skill enhancement

Transparent Communication Philosophy to promote openness and fairness

Enhancing colleague value proposition
for each distinctive employee group

We conduct multiple annual surveys to gauge employee satisfaction. While we have begun strengthening our communication platform, we have also created an avenue, 'My Kotak My Say', for Kotakites to voice their concerns. This is a bi-annual engagement survey conducted in collaboration with the 'Great Place to Work Institute'. An overall 82% response rate was recorded across the Bank, with consistent positive feedback from 79% of Kotakites (same as the previous year) believing that Kotak is a Great Place to Work®. With its undeterred efforts and employee centric initiatives, the Bank has been recognised among India's top 25 'Best Workplaces in BFSI 2024' and India's 'Best Employers among Nation Builders, 2024' by the Great Place To Work® Institute (India). Kotak Mahindra Bank ranks 75 in Top 100 Best Companies to Work for 2024, India.



Kotak encourages innovation through our in-house idea generation portal, Europe. Colleagues can submit open ideas or propose solutions for specific business challenges related to cost optimisation, productivity improvement, process transformation, digital innovation and enhancing customer experience. From the 150+ ideas generated, we selected 50 for implementation in FY2023-24. In order to interact with tech enthusiasts and share our story of digital transformation, we utilize our social media platform, Tech at Kotak. This year, we proudly celebrated 38 years of Kotak Foundation Day on November 21, 2023. As part of the festivities, Kotak Karnival, dynamic and colourful event, was organised across 10 offices nationwide.



Kotak Karnival Celebration

KLI approaches employee engagement with an aim to foster collaboration and organises cross-functional connects to break silos and improve cooperation. KLI's MD holds a quarterly Town Hall, sharing crucial insights and encouraging open debate. It cultivates a vibrant corporate culture through various events such as Family Day, cricket tournaments, and festival celebrations. The GenNex and Rising Star program extends engagement beyond the workplace by recognizing employees' children for academic excellence. These comprehensive efforts align employee and organizational needs, fostering a supportive and productive work environment.



Kotak Cricket Tournament

Kotak's international subsidiaries promote cultural inclusivity and employee engagement through diverse initiatives. They enthusiastically celebrate festivals such as Diwali, Eid and Christmas.

Further, KMCC and KAAML also implemented team-building activities, opened a K-library, and instituted Appreciation Tree. The Appreciation Tree is a visual representation of collective gratitude and appreciation for each other's contribution, where employees write brief messages such as thank-you note, compliment or words of encouragement.



Kotak Diwali Celebration

Empowering Colleagues

Culture of appreciation

We foster a culture of excellence by valuing and recognizing our collaborative and inclusive colleagues, creating a rewarding work environment. We have an online platform known as 'K-Applaud' that enables recognition and appreciation of Kotakites for their contribution, performance and achievements. Kotakites receive reward points every time they receive recognition from their managers. These points can be used to purchase products across 10,000 brands. As a part of this platform, we introduced the below-mentioned awards

Cheers for Peers

This award enables employees to give appreciation badges to their colleagues.

A special 'Cheers for Peers for Inclusivity' reward and recognition program focused on acknowledging the efforts made towards inclusivity at workplace.

Kotak Infinity Awards

The award programme established to honour business excellence, outstanding contributions and adherance to Kotak values. It involves selection by a diverse panel and the winners are announced on the Foundation Day.

Kotak DNA Awards

Leaders nominate Kotakites who demonstrate behaviours aligned with our culture.

Additionally, we promote ongoing recognition through our SPOT and Heavy Lifters awards, part of our reward series. The awards are announced quarterly to honour high performers from the support teams.

At our subsidiary unit KLI, Kotak Life Appreciation System acknowledges outstanding performances across all levels and has recognised 900+ employees who completed more than five years at KLI. Our microcredit subsidiary BSS also celebrated employee performance awards, long service awards, major festivals and the Foundation Day fostering a cohesive work environment across the organisation.

Diversity and Inclusion[10]

We at the Bank recognize the value of diversity in our workforce and are committed to building an inclusive work environment. With our current gender diversity at 26.2%, the Bank has been actively focusing on increasing participation of women with an aspiration to have women represent at least a third of our workforce. Please refer to Section A -20, page 387 in the BRSR for diversity of governance bodies and employees of the Bank.

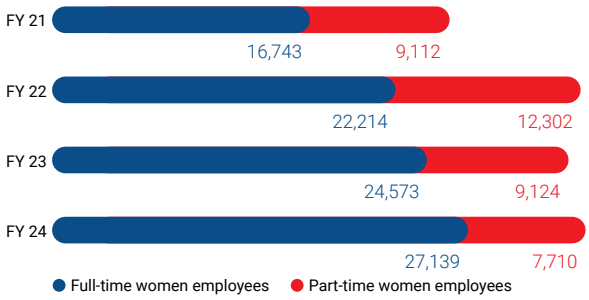
Our Diversity, Inclusion and Equity (DI&E) statement articulates the Group's DE&I strategy governed by a Diversity and Inclusion Council, which is led by an Executive Director on the Board. As an equal opportunity employer, Kotak ensures significant women participation in its workforce through multiple recruitment drives across on and off-campus hiring programs.



The Bank has aspiration to have women represent at least a third of our workforce from current 26.2%. We shall continue taking measures like specific policies and initiatives that support the increased representation of women in our workforce.

Shanti Ekambaram
Deputy Managing Director
Kotak Mahindra Bank Limited

Women employees at the Group



Our Equal Employment Opportunity Policy is in alignment with the 2016 Rights of Persons with Disabilities Act, and we have 52 differently abled permanent employees in the Group. We have made provisions for ramps at some of our premises to make it easier for Persons with Disabilities (PwD) to access our branches and ATMs. More than 950 ATMs and more than 600 branches have disability accessible entrances.

We facilitate flexible working conditions and contribute towards a better workplace environment for our women colleagues via a Part time working policy that offers flexibility in work schedules, without affecting career progression and growth, and a remote working policy that offers flexibility with respect to work location and schedule. Employee roles are classified into several categories to support hybrid-working conditions.

The company has an open culture and gives us the liberty and flexibility to work according to our mental well-being.

Ankana Banerjee

[10] *GRI 3-3 , GRI 405-1, Please refer, page 387 BRSR Section A-20*

In FY 2023-24, we also introduced a cab facility, named 'Travel Option for Kotak Wonder Women' (KWW). For this initiative, the Bank has tied up with Uber to provide our women employees with safer travel options. We continue supporting KWW during critical life phases through our unique New Mother Benefit Policy which helps set up a reliable support system for mothers returning to work. In FY 2023-24, 100+ women availed the benefits under this policy. To support working parents, the Bank has partnered with a leading day care benefit management provider, offering reliable crèche facilities under our Day Care Policy.

Since last year, we have begun providing additional travel benefits so that our women colleagues may travel along with their child who is less than 1 years of age and a helper.

We offer opportunities and platforms for our colleagues to learn from each other irrespective of their cadres. Some of our flagship initiatives have proved successful in breaking stereotypes and building stronger networks to enable the growth and development of our diverse workforce.



To promote diversity and inclusion at workplace, KLI has implemented a range of initiatives. The Transcendence Leadership Development Journey, through specialised programs run by coaches and industry experts to develop the next generation of female leaders, has trained over 150 women leaders with a 90% retention rate. The Fem-Tribe committee, a women-managed internal think tank identifies organizational changes to support diversity. Women-specific hiring drives designed to provide women a chance to re-enter the workforce, have increased female representation to 28% at KLI. Furthermore, Project Surbhi focuses on recruiting more women through our proprietary distribution channel TIED, which now has 33% women representation. KLI participated in career fairs for people with disabilities (PWD), hiring its first PwD employee and planning to recruit 12 more by FY 2024-25. The Able with Abilities program ensures smooth on-boarding for PWD employees through monthly check-ins, team orientations, and sensitization workshops, aiming for seamless workplace integration.



International Women's Day Celebration

KMCC, KIE and KAAML had initiated the "Bild-U Initiative" with an aim to increase engagement and create a better working culture for women employees. A series of workshops were conducted to ideate policies and programs to be implemented. BSS launched a pilot project in Karnataka and Tamil Nadu, involving 250+ female staff across ~200 branches, and promoted hiring women for entry-level field operations positions.

Health and Well-being[11, 12]

At Kotak, we provide a safe and healthy work environment for our employees. We have in place an Occupational Health and Safety Management System (OHSMS) at six of our larger corporate locations, each having undergone a third-party review and achieved ISO 45001: 2018 certification. We evaluate the implementation of the ISO standards internally for the certified premises and nearly 15% of our bank's workforce operates out of these six accredited locations.

Our OHSMS manual describes the governance structure and the oversight team's action plan for conducting audits. It also offers standards for system administration in general and reporting frequency in particular[11]. The scope and duties of the teams in charge of managing the OHSMS are outlined in detail in the manual. A monitoring strategy that covers scope, locations, methods and metrics is in place. The senior management is in charge of supervising the assessment of OHS performance and evaluating the implementation success.

In accordance to the guidelines outlined in ISO 45001:2018, a Hazard Identification and Risk Assessment (HIRA) exercise is carried out in which all work-related hazards are recognized, risks are evaluated on a routine and non-routine basis, and their respective mitigation actions are recorded[13]. Every year, HIRA is examined and if necessary, updated considering any incidents. To make sure that the inputs obtained during the exercise act as a preventive measure, the amended documents are distributed to all of our locations.

[11] GRI 403-1,GRI 3-3, Please refer page 400 BRSR Section C, Principle 3, Essential Indicator 10 | [12] Please refer page 397 BRSR Section C, Principle 3, Essential Indicator 1a | [13]GRI 403-2 , GRI 403-9

Empowering Colleagues

The work organization, social factors, leadership, organizational culture, activities and situations, past relevant incidents, potential emergency situations, actual and proposed changes regardless of the level and nature, and changes in knowledge and information about hazards are just a few of the elements we consider during the implementation process at our ISO 45001:2018 certified premises. The Management Representative for Occupational Health & Safety (OH&S), also known as HMR, ensures that hazard identification is carried out by individuals competent in pertinent hazard identification methodologies and techniques, and have the necessary expertise. All jobs carried out on our property are overseen by the HMR[14]. 'Toolbox talks' covering safety instructions and detailed procedures to be followed for protecting themselves from injuries or illness are provided as needed, to vendors working at our premises for both routine and non-routine jobs[15]. An OHSMS Hazard Identification Checklist is kept up to date. The scope, type, and timing of the methodology and criteria for assessing OH&S risks are specified, so that they may be applied methodically and are proactive in nature. In order to facilitate prompt and appropriate action, colleagues are also encouraged to report any hazardous situations by writing to a helpdesk specific to their area or by calling a designated helpline[16]. Our learning portal now also hosts digital lessons like "Prevention of and Safety Procedures in case of a Robbery, Bomb threat, and/or Fire." In the FY 2023-24, 15,442 training hours were recorded for safety training, covering 20,603 employees.[17, 18]

We support employee involvement and collaboration in the creation, organization, execution, assessment of work performance, and ongoing enhancement of the OHSMS. Emails, signage, and nodal employees and personnel are all used for OHSMS communication. Trained fire wardens have been appointed across corporate offices to organise periodic fire evacuation drills[17] and training sessions. In addition, we offer pre-emptive medical check-ups, in-house doctor consultations and ambulance facilities, and have slip proof floors and ergonomic seating facilities at major offices to ensure the safety and well-being of our employees. We also facilitate sessions on mental health, yoga and other health related aspects for ensuring the well-being of the employees.[13]

Human Rights

We are committed to preventing any violation of human rights throughout our operations, supply chains, communities and business relationships. Our Human Rights and Anti-Discrimination Policy aligns with national legislation, the International Labor Organization's basic labour standards, and the United Nations' Universal Declaration of Human Rights. This policy guides our internal and external operations, emphasizing the value of upholding internationally recognized human rights such as equal opportunity, fair compensation, freedom of association, and prevention of child labour and forced labour. Furthermore, a separate trade union represents 1,385 (2.3%) of our permanent workforce at the Bank, protecting them by collective bargaining agreements[19]. In addition to this, our HR team oversees our anti-discrimination policy and human rights commitments[20].

Our goal is to provide an environment free from harassment at work. Our Prevention of Sexual Harassment (POSH) policy's main objective is to prevent, forbid and address any inappropriate behaviour in the workplace. We also uphold a zero-tolerance policy towards sexual misconduct. Our ethical code permits disciplinary action against harassment regardless of a person's gender. An internal committee was established in accordance with the Sexual Harassment of Women at Workplace Act, 2013 to facilitate investigations and take measures if such incidents occur. Additional information is provided in the BRSR disclosure on page 406. Our staff participates in training sessions that cover workplace harassment and discrimination resolution techniques[21].

We undertake proactive measures to safeguard human rights. Our survey, conducted in December 2023, included some questions to understand how human rights are implemented in the organization. These questions covered topics such as workplace discrimination based on gender, caste, religion and physical disability, workplace challenges related to health and safety, commute to work, growth opportunities and amenities, and learning and development such as skill development, mentorship programs and career sponsorship. The objective of the survey was to assess organizational effectiveness on parameters such as respect, camaraderie, pride, fairness, and credibility.

We guarantee zero tolerance for workplace retaliation through provisions on confidentiality and anonymity in our Code of Conduct. All concerns and related investigations are handled in confidence and are subject to applicable rules and regulations, according to the CoC's anonymity and confidentiality agreements.

At Kotak, we have a robust and effective grievance resolution structure based on a well-defined escalation process[22]. We receive grievances from colleagues through multiple channels – an online ServiceNow tool, HR helpdesk mail box or through HR Relationship Manager on email. We ensure that our colleagues are informed of the grievance procedures via email and through the publication of our Code of Conduct. Our awareness programs centre on the various channels that staff members can use to voice concerns, and the procedure for resolving issues.

In addition, we have a whistleblower policy and reporting framework in place that allows all of our stakeholders to use our digital platform to anonymously report any issues. At the Bank, we don't take part in or tolerate any form of retaliation against people who in good faith, report suspected unethical or illegal activity such as fraud, securities law or regulatory violations, potential policy violations such as the Code of Conduct, or other inappropriate behaviour at work. An colleagues can report retaliation against them using the HR Helpdesk's Employee Portal, Kotak Worklife, as well as by reporting the occurrence to the HR relationship manager.

[13]GRI 403-6 [14]GRI 403-7 | [15]GRI 403-8 | [16]GRI 403-4 | [17]GRI 403-5 | [18]To track training hours conducted via digital mode through the Bank's Learning Management system, we have assumed trainings to be of 45 minutes each for long duration courses and 15 minutes each for short duration courses.| [19]GRI 2-30, Please refer page 399 BRSR Section C, Principle 3, Essential Indicator 7. | [20]GRI 406-1 | [21]Please refer page 405 BRSR Section C, Principle 5, Essential Indicator 1.| [22] GRI 2-25



River Clean-up Drive

Employee volunteering forms an integral part of employee engagement, here, at Kotak. Kotakites completed 3,850+ hours of volunteering in this reporting period, across 27 different activities and in 19 different cities. The following testimonials affirm our belief in their importance

Volunteering events are a great way of connecting with the society and help elevate the situations of the people in need. Knowing that every single act is capable of making a difference motivates me to come forward and enthusiastically take part.

Ekansh Sharma
Caring Kotakite

Taking part in the Volunteering events is always a beautiful experience. I recently attended the Sapling plantation drive where we got a chance to connect with the environment and the farmers. I hope to attend more such events and make a considerable impact.

Aditi Gupta
Caring Kotakite

Along with my fellow Kotakites, I embarked on a mission to paint a school for underprivileged children. I am truly grateful for the chance to contribute to this transformative project, and moments like this fuel my determination to keep spreading positivity and making a difference.

Akshay Aggarwal
Caring Kotakite



Blood Donation

At Kotak, we believe our employees are at the forefront of driving our business success and unlocking new growth avenues. Through comprehensive approach to talent acquisition, training and development, diversity and inclusion, and engagement, we seek to establish an empowering work environment which ensures that each Kotakite can realise their full potential. Through digital transformation of internal processes, career development programs, recognition systems and wellness initiatives, we aim at nurturing our talent pool while building best-in class culture. We work towards creating a collaborative workplace that embraces diversity, values human rights, and ensures well-being of all employees and we continue to keep investing in our people to build an innovative and future-ready workforce that will drive the growth of our organization along with shaping individual careers.

Supporting Communities

Fostering strong community relations[1]

Key Highlights

320 crore+
Total CSR Expenditure (Group)*

8.2 lakh+
beneficiaries for the Group

Material Topics Covered

- Community Well-being
- Financial Inclusion and Social Development
- Regulatory Compliance
- Business Ethics
- Policy Advocacy

Capitals Covered

Social and Relationship Capital

Contribution to SDGs





Beneficiaries** across our focus areas

Healthcare

3.30 lakh+
Primary healthcare visits supported

Cancer treatment support extended to
5,900+
patients and 20,000+ screened for cancer

12,100
PwDs were provided rehabilitation services through early intervention, therapies and mobility aid distribution, etc.

~1.2 lakh
Patients supported through various eye care initiatives

Education and Livelihood

45,000+
Students received support towards formal education

3,300
Students and youth received scholarships to continue their higher education

13,800
Youth upskilled, out of which 2,000 were specially abled, through Skill Development Programmes

1,400
Youth were trained and mentored to become entrepreneurs

12,500+
Families supported through agri and livestock-based livelihood interventions

Relief and Rehabilitation

8,300
Families supported through various relief activities

Sports

132
Athletes supported for pursuing excellence in their sport through training, nutrition and sports science

*** Non unique beneficiary numbers as multiple projects in the same geography may have common beneficiary*

[1]*GRI 3-3 | *including transfer to Unspent CSR Account, administrative overheads and impact assessment.*

Driving holistic development

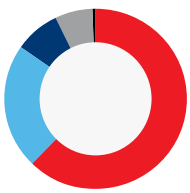
Corporate Social Responsibility (CSR) is an integral part of our business philosophy at Kotak. As a responsible corporate firm, we have undertaken multiple social initiatives for community development and upliftment of marginalised sections of society. By strategically aligning our efforts and continuously engaging with communities, we aim to create significant social value.

The key focus areas of our CSR are education, livelihood, healthcare, environment and sustainable development and sports. All of our initiatives are aligned with United Nations Sustainable Development Goals (SDGs).

The Bank's CSR policy describes our approach to the focus areas and is available on our website. Additional information regarding the Bank's CSR initiatives for FY 2023-2024 can be found in the Directors' Report on page 268. The Bank and its subsidiaries carry out CSR initiatives across India. The methodology and summary of the social impact assessments done for relevant CSR projects can also be found on our website.[2]

KOTAK MAHINDRA BANK'S CSR EXPENDITURE* DURING FY 2023-24

Education and Livelihood	₹ 141.8 Cr
Healthcare	₹ 50.7 Cr
Environment & Sustainable Development	₹ 18.5 Cr
Sports	₹ 15.2 Cr
Relief & Rehabilitation	₹ 1.0 Cr

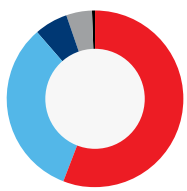


**Excluding impact assessment and administrative overheads*

For FY 2023-24, the mandated CSR expenditure for the Bank was ₹ 230.2 crore and the actual CSR expenditure was ₹ 230.8 crore. The breakdown of actual CSR expenditure (excluding overheads and impact assessment costs) towards various themes is given above.

KOTAK MAHINDRA GROUP'S CSR EXPENDITURE* DURING FY 2023-24

Education and Livelihood	₹ 176.4 Cr
Healthcare	₹ 102.8 Cr
Environment & Sustainable Development	₹ 18.8 Cr
Sports	₹ 15.2 Cr
Relief & Rehabilitation	₹ 1.2 Cr



**Excluding impact assessment and administrative overheads*

For FY 2023-24, the mandated CSR expenditure for the Group was ₹ 319.1 crore and the actual CSR expenditure was ₹ 320.2 crore. The breakdown of actual CSR expenditure (excluding overheads and impact assessment costs) towards various themes is given above.

CSR Focus Areas

Education and Livelihood

- Improving learning outcomes in schools
- Supporting Higher Education
- Skill Development
- Entrepreneurship
- Promoting Rural Livelihoods

Healthcare

- Addressing gaps in the cancer care spectrum
- Improving access to healthcare
- Augmenting healthcare infrastructure

Environment and Sustainable Development

- Enhancing water security
- Emission management and carbon sequestration

Sports

- Sports infrastructure development
- Supporting training of athletes

[2] *GRI 413-1*

Supporting Communities

A Close Look at Our Key Initiatives

Education and livelihood

The following sub areas comprise our education and livelihood initiative- improving learning outcomes in schools, supporting higher education, vocational skill development, promoting entrepreneurship and rural livelihood enhancement.

Kotak Education Foundation (KEF) is our primary implementation partner for education related CSR interventions. KEF has taken a holistic approach to education and supports children and young people from low-income families, by promoting school education, providing scholarships and supporting livelihoods.



Improving Learning Outcomes in Schools

We focus on improving learning outcomes through capacity building for teachers, promoting digital education and supporting learning needs of children both in the school and in their communities as well as augment infrastructure development. Across 160+ schools in Maharashtra and Gujarat, KEF works in areas such as school leadership, foundational literacy, numeracy, digital learning, teacher training and communicative English. With other implementing agencies, we enabled access to vernacular content in Science to government schools in rural UP and championed use of Information and Communication Technology (ICT) in teaching by training next generation educators. Through the Girl Child Education project, we are supporting mainstreaming of 3,000+ girls who dropped out of formal schooling. Apart from these initiatives, we supported early childhood education in Balwadis and through Creches at construction sites. Additionally, we renovated 13 government schools across Uttar Pradesh, Karnataka, Madhya Pradesh and refurbished seven Anganwadis.



Project name - IIMPACT

Partnered with Lakhanpur Learning Centre

Lakhanpur village is located in Pakur District of Jharkhand. Schedule tribes and minority religion groups mainly inhabit the place and the region struggles with severe poverty, lack of education and over population, resulting in poor health, child marriage and child labour.

Rasmin Khan is an active and cheerful student at the Lakhanpur Learning Centre that was supported by the Bank. Initially, our representatives had a difficult time in convincing her parents to send her to the centre. She was shy, inactive and disinterested in class due to her difficult upbringing, often showing disrespect to others, but she has since become more engaged and positive. And as days passed by, Rasmin had delivered a remarkable transformation in behaviour and culture. Her parents are proud of their daughter as she is the first among their family to learn how to read and write.



Project name - Science programme

Partnered with Khan Academy

The Khan Academy's Science Program, supported by Kotak Mahindra Bank, plans to reach about 700 Kasturba Gandhi Balika Vidyalaya's (an all-girls residential school for girls from disadvantaged communities) and 1,500+ Madhyamik schools in the state of Uttar Pradesh.

The CSR project leverages NCERT aligned core science content offering for Grades 9-12 which was created with support of the Bank and customised in accordance with UPSCERT. During the project period, KAI Science Program was rolled out in 698 school, reaching over 59,000 students. KAI trained more than 750 teachers, 70 District Coordinators, and more than 100 science mentor teachers. KAI track the progress using the Skills to Proficiency (STP) metric on the Khan Academy platform, recommending 30 minutes of use per week. The project operates at the unique intersection of technology, gender and capacity building of public school systems.

Supporting Higher Education

We supported ~3,300 students through Scholarship programmes. While Kotak Shiksha Nidhi intervention continues to provide financial assistance to students who lost a primary earning member to COVID-19, Kotak Kanya supports career aspirations of meritorious girls from financially weaker backgrounds.

KEF (Scholarship)

Shravani's story reflects her resilience and strong determination, shaped by her challenging family dynamics. She and her younger sister were raised solely by their mother (till she remarried). Despite upheavals, Shravani pursued her dream of becoming a doctor, focusing on the NEET examination. Her mentor recognized her potential, playing a crucial role in developing her talents and bolstering her confidence. With her mentor's support, Shravani managed to balance her studies with her extracurricular activities. Although initially overwhelmed by the demands of science subjects and struggling with time management, her mentor's advice and support helped her overcome feelings of insecurity and discouragement. Encouraged by her mentor, Shravani's confidence grew and she began to see a promising future in medicine.

Shravani's mentor, through discussions with Shravani and her mother, emphasised the opportunities in the medical field, strengthening her resolve. This deepened the bond between them, providing Shravani a platform to share her successes and challenges, reinforcing her sense of belonging and commitment to her goals. Following her mentor's advice, Shravani intensified her efforts, excelling academically and continuing her extracurricular involvement. She improved her time management and focused more on her studies, which helped her advance towards her goal of a medical career. Shravani's journey highlights the impact of mentorship and persistent dedication, even in difficult times.

We are also supporting higher education and research work that caters to immediate and long term needs of the nation. We have been supporting Indian Institute of Science (IISc) to establish a Centre for Artificial Intelligence and Machine Learning (AI-ML Centre) in Bengaluru since FY 2021-22.

In FY 2023-24, we extended support to IIT Kanpur to launch Kotak School of Sustainability, a one-of-a-kind, inter-disciplinary school with an aim to propel sustainability education. It is India's first integrated School of sustainability with a vision to promote pedigree education, research and outreach. This school is poised to offer thought leadership solutions towards sustainability actions and prepare future generations to take lead on sustainable development. The school brings together departments and centres of excellence at IIT Kanpur with an aim to provide an enabling environment for collaborative research across multiple facets of sustainability such as clean energy, environment, ecology, circular economy, climate finance, sustainable societies and policy.

Skill Development

We supported multiple organisations to provide sector specific skill development to youths to enhance their employability. In FY 2023-24, over 13,200 youths were trained, of which 60% were either successfully placed with different organisations or became entrepreneurs.

Interventions for the Differently-Abled

We worked with multiple agencies to provide sector specific skill training to over 2,000 Persons with Disabilities (PwD). In FY2023-24, nearly 1500 people were placed in different organisations, making them financially independent. We also supported 211 deaf youth to pursue higher education.

We continued to support development of an AI-enabled job platform for PwDs, which has already seen participation from over 1.64 lakh aspirants and 1,293 companies. In FY2023-24, over 1,600 PwDs received placement through this job portal. To further support parents of children with special needs, we have developed and upgraded an online resource platform which recorded over 2 lakh unique users in FY2023-24.

Entrepreneurship

We have actively promoted entrepreneurship amongst women (including those from tier-2 and tier-3 Indian cities) through Women's Startup Programme that is managed by IIM Bangalore. Around 269 ventures led by women were nurtured through mentoring and advisory support.

Promoting rural livelihoods

We are implementing diverse activities focused on agriculture, livestock and Non-Timber Forest Product, aiming to improve income for farmers. Through multiple organisaitons, have benefitted over 12,500 farmers in FY2023-24.

We also provided monitoring and training to 74 enterprises in rural Maharashtra for small businesses. ~370 women farmers in Mandla, Madhya Pradesh were educated on oilseeds to incorporate value add elements post crop production. We are also developing community managed institutions in Muzaffarpur district of Bihar.

Supporting Communities

Healthcare

Three sub-areas comprise our healthcare interventions: addressing gaps in the cancer care spectrum, improving access to healthcare and improving infrastructure for healthcare.

Addressing gaps in cancer care spectrum

Our interventions in cancer care span across earlier detection, treatment support (including accommodation and nutrition) and hospice care. Through our collaborations, we were able to aid more than 5,900 cancer patients in FY 2023–24, of which 4,100 were paediatric patients.

Project name – Cancer Care

Partnered with Cuddles Foundation

16-year-old Lazina was diagnosed with Ewings sarcoma, a type of cancer that affects a person's bones. When Cuddles nutritionist first met her, she was severely thin and weak. As a result, Cuddles Nutritionist put her on to supplements, ration, In-meals programmes. This helped her family financially as they were already struggling under the weight of a housing loan and unemployment. Lazina is looking forward future now that her nutritional status has taken a positive turn, and her cancer treatment is done - "I can't wait to get back to my science textbooks! I want to work hard and become a good doctor!"



Improving access to healthcare

We provide access to affordable health care facilities to rural communities and low-income households through mobile medical vans, eye check-up camps and oral cancer screening camps. We reached 3.3 lakh beneficiaries for primary healthcare and 1.2+ lakh through eye care camps, surgery and treatment that included school students and senior citizens.



We also conducted Oral Cancer Screening camps at six markets under the Agricultural Produce Market Committee and also for police personnel in Mumbai. Through various initiatives, we have also provided early interventions, rehabilitation and mobility solutions for PwDs and supported treatment of over 6,700 children with clubfoot in 45 districts of Uttar Pradesh.

Project name – Touch Freedom

Partnered with Ganga Foundation

The Touch Freedom program was designed for individuals with spinal cord injuries, empowering them to manage their daily activities autonomously. The assessment aims in identifying the individuals' specific requirements and goals, and enabling personalized rehabilitation plans tailored to each participant's requirements. The Touch Freedom has a well-structured methodology for supporting individuals like Rameshwar Rai.

With the onboarding of Rameshwar Rai to the Touch Freedom's personalised training, Rameshwar Rai was able to gain confidence and necessary skills to reclaim independence in his daily life. By minimising the reliance on his family for basic needs, his involvement in Touch Freedom helped him transform his personal outlook and alleviated the burden on his caregivers, fostering greater family harmony and support.

Rameshwar Rai is now completely self-reliant. Furthermore, significant life changes were experienced by his newfound confidence and improved mobility. This change has not only demonstrated his personal growth and achievement but has also underscored the transformation of the Touch Freedom initiative for restoring the autonomy and empowering his entrepreneurial growth.

Improving healthcare infrastructure

We are cognizant of the need for state-of-the-art healthcare infrastructure to ensure holistic and quality healthcare. We have provided support to organisations such as Ramakrishna Mission, Eastern India Heart Care and Research Foundation, Mahamana Pandit Madan Mohan Malaviya Cancer Hospital and Shri Vithalrao Joshi Charities Trust (Walawalkar Hospital at Chiplun) for critical healthcare infrastructure

Environment and Sustainable Development

We use ecosystem restoration to support initiatives that replenish water, reduce carbon and benefit communities. Using an ecosystem restoration approach, we support initiatives that replenish water, reduce carbon and benefit communities. We have ventured into projects in both rural and urban landscapes with biodiversity and improving livelihoods as our overarching themes.



Enhancing Water security

Ensuring Water security in Rural India - The Bank worked with around 9,000 farmers and their communities in water stressed regions across India, focusing on building water security and improving crop production through soil and water conservation measures and de-siltation of traditional water reservoirs. About ~6,000 Ha of land has been positively impacted and a water harvesting capacity of 340 crore liters has been created. The structural barriers and conservation measures are expected to increase the overall groundwater levels over time. These above measures along with income diversification efforts is expected to improve farmer income by ~30%.

Reviving Urban Water Assets - Waterbodies such as lakes and major drain lines are often at risk of encroachment, illegal waste dumping and degradation. To address some of these risks, we are rejuvenating 5 lakes and a 0.8 km stretch of a creek by clearing garbage and weeds. This restoration is across a total area of ~370 acres and is expected to act as a microhabitat for biodiversity and a recreational space for community to connect with nature.

Emission management and carbon sequestration

To improve the energy efficiency of the Indian MSME sector, energy audits were carried out for 120+ SMEs in collaboration with IIT Madras and six other IITs across India. Adoption of audit recommendations contributed to reduction in energy consumption and emissions (~equivalent to 29,000 MtCO2 per annum).

~1.5 lakh trees are under plantation in urban pockets through Miyawaki technique across 15 acres in 3 cities - Pune, Ahmedabad and Mumbai Metropolitan Region (MMR).



Sports

We partnered with Pullela Gopichand Badminton Foundation to develop a world-class badminton training facility in Hyderabad. In FY 2023-24, we supported 30 Athletes with training, nutrition, sports science and other mental and physical wellbeing related services. Additionally, we partnered with the Inspire Institute of Sport, to implement a Boxing training programme. 100+ junior and elite boxers were supported under the programme who won 90 medals across domestic and international competitions.

We work towards transforming the communities we operate in, through impactful Corporate Social Responsibility initiatives, focusing on education, livelihood, healthcare, environment, and sports. By developing strong relationships with a wide network of non-governmental organisations and foundations, our CSR initiatives attempt to create tangible positive outcomes for diverse communities.

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Financial Statements and Statutory Reports

Financial Performance

An overview of the financial performance of the Group.

Financial highlights

Consolidated and Standalone — 94

Financial statements

Independent Auditor's Report on Consolidated Financial Statements — 97

Consolidated Financial Statements — 110

Financial Information of Subsidiaries and Basel III (Pillar 3) Disclosures — 160

Independent Auditor's Report on Standalone Financial Statements — 162

Standalone Financial Statements — 168

Statutory reports

Directors' Report and Annexures — 249

Report on Corporate Governance — 294

Management's Discussion and Analysis — 343

Business Responsibility and Sustainability Report (BRSR) — 386

Annexures

ESG Data Tables — 422

GRI Index — 428

TCFD Index — 430

Assurance Statements — 431

Consolidated Financial Highlights 2023-2024

(₹ in crore)

FINANCIAL HIGHLIGHTS	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Advances	249,859	252,170	304,474	359,107	430,352
Investments*	81,334	116,565	115,907	139,359	175,302
Total Assets	443,153	478,854	546,498	620,430	767,667
Net Profit	8,593	9,990	12,089	14,925	18,213
KEY FINANCIAL INDICATORS					
Net Interest Margin (NIM)^	4.6%	4.5%	4.7%	5.4%	5.3%
Return on Average Assets (RoAA)	2.1%	2.2%	2.4%	2.6%	2.7%
Book Value Per Share (₹)	348	426	487	563	653
Basic Earnings Per Share (EPS) Face Value ₹ 5 per share	44.7	50.5	60.8	75.0	91.5
Return on Equity (RoE)	13.7%	12.8%	13.4%	14.4%	15.1%
Capital Adequacy Ratio	19.8%	23.4%	23.7%	23.3%	21.8%
Gross NPA (₹ crore)	5,488	8,276	7,334	6,419	6,003
Net NPA (₹ crore)	1,745	3,106	2,149	1,479	1,567
Gross NPA Ratio	2.2%	3.2%	2.4%	1.8%	1.4%
Net NPA Ratio	0.7%	1.2%	0.7%	0.4%	0.4%

** Excludes Policyholders' investments*

^ Excluding dividend and interest on income tax refunds.

MARKET RELATED RATIOS	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Market Price (₹)	1,296	1,753	1,754	1,733	1,786
Market Capitalisation (₹ crore)	247,939	347,416	348,080	344,240	354,943
Price to Book Ratio	3.7	4.1	3.6	3.1	2.7
Price to Earnings Ratio	29.0	34.7	28.9	23.1	19.5

Standalone Financial Highlights 2023-2024

(₹ in crore)

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

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

Consolidation at a Glance

(₹ in crore)

	2023-24		2022-2023		March 31, 2024	March 31, 2023
	Profit before Tax	Profit after Tax	Profit before Tax	Profit after Tax	Capital & Reserves and Surplus	Capital & Reserves and Surplus*
Kotak Mahindra Bank Limited	18,013.72	13,781.58	14,390.99	10,939.30	96,639.46	83,459.95
Subsidiaries						
Kotak Mahindra Prime Limited	1,188.36	888.06	1,110.06	828.96	9,176.48	8,305.90
Kotak Securities Limited	1,635.18	1,226.17	1,150.19	865.22	8,286.15	7,107.98
Kotak Mahindra Capital Company Limited	276.69	215.01	192.48	149.28	1,181.03	1,000.38
Kotak Mahindra Life Insurance Company Limited	1,041.24	688.62	1,462.72	1,053.31	5,863.23	5,327.70
Kotak Mahindra General Insurance Company Limited	(88.95)	(88.95)	(117.28)	(117.28)	447.12	341.07
Kotak Mahindra Investments Limited	690.51	514.21	439.32	326.26	3,329.02	2,814.81
Kotak Mahindra Asset Management Company Limited	570.64	424.41	605.85	474.77	1,995.62	1,682.96
Kotak Mahindra Trustee Company Limited	135.20	100.77	107.48	79.99	525.32	424.55
Kotak Mahindra (International) Limited	65.82	64.28	13.36	12.41	1,001.34	922.93
Kotak Mahindra (UK) Limited	55.24	38.63	21.52	15.07	495.19	449.79
Kotak Mahindra, Inc.	13.95	11.08	15.03	13.25	98.79	86.33
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	76.87	58.84	51.95	42.27	864.58	805.72
Kotak Mahindra Trusteeship Services Limited	7.68	5.87	3.52	2.63	35.00	29.13
Kotak Infrastructure Debt Fund Limited	43.40	43.40	27.83	27.83	519.61	476.20
Kotak Mahindra Pension Fund Limited	(0.21)	(0.21)	(3.49)	(3.49)	52.40	52.61
Kotak Mahindra Financial Services Limited	(0.59)	(0.59)	(3.08)	(3.08)	3.05	3.59
Kotak Mahindra Asset Management (Singapore) Pte. Limited	85.32	75.32	43.49	38.66	363.99	283.85
IVY Product Intermediaries Limited	0.44	0.33	0.24	0.16	6.69	6.36
BSS Microfinance Limited	509.04	383.22	396.29	297.21	1,009.85	626.63
Sonata Finance Private Limited (w.e.f 28th March, 2024)	(16.64)	(13.71)	NA	NA	389.41	NA
Total	**24,302.91**	**18,416.34**	**19,908.47**	**15,042.73**	**132,283.33**	**114,208.44**
Add: Associates		236.38		144.57	1,587.34	1,350.96
Less: Dividend, Inter company and other adjustment		439.51		262.29	3,978.28	3,305.31
Consolidated Profit After Tax / Capital & Reserves and Surplus		**18,213.21**		**14,925.01**	**129,892.39**	**112,254.09**
Consolidated Earnings per Share (₹)		**91.45**		**74.94**		
Consolidated Book Value per Share (₹)					**653.41**	**562.55**

** Capital & Reserves and Surplus includes Preference Share Capital*

On 26th June, 2023, the Bank has incorporated "Kotak Karma Foundation" ("the Foundation") under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence (CoE) of the Bank for furtherance of part of its Corporate Social Responsibility (CSR) Initiatives. Being a Section 8 Company and as per terms of articles, the Foundation would operate with restrictions to transfer funds to the parent, hence in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", the Company shall be excluded from consolidation.

Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of **Kotak Mahindra Bank Limited** ('the Bank' or 'the Holding Company'), its subsidiaries (the Bank and its subsidiaries together referred to as 'the Group'), and its associates, which comprise the Consolidated Balance Sheet as at **31 March 2024**, the Consolidated Profit and Loss account, the Consolidated Cash Flow Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (' the Act'), and circulars and guidelines issued by Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2024, and their consolidated profit, and their consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and its associates were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

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

Refer Schedule 9, Schedule 17(C)(2) and Schedule 18(A), note 9 and note 11 of Standalone Financial Statements

Key Audit Matter	How our audit addressed the 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. The identification of NPAs is also affected by factors like stress and liquidity concerns in certain sectors.	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.

Key Audit Matter	How our audit addressed the key audit matter
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.	▪ 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. ● 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 ('CRILC'). ● With respect to provisions recognised towards NPAs, we reperformed the provision calculations on a sample basis taking into consideration the value of security, where applicable, the IRAC norms and NPA policy of the Bank, and compared our outcome to that prepared by the management and tested relevant assumptions and judgements which were used by the management.

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

Key Audit Matter	How our audit addressed the 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 described in Note 21 of Schedule 18B to the Standalone Financial Statements, a supervisory action was undertaken against the Bank under Section 35A of the Banking Regulation Act, 1949 by the Reserve Bank of India (RBI) subsequent to the year end on 24 April 2024 arising from an IT examination conducted by the RBI, and the related reports containing its observations was issued by the RBI.	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Bank. On such 'in-scope' IT systems, we have tested key IT general controls and evaluated the same with respect to the following domains: ● Program change management, which includes that program changes are moved to the production environment as per defined approvals and relevant segregation of environment is ensured. ● User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications and its related operating system and databases in the production environment were granted only to authorized personnel. ● Other areas under the IT control environment which includes backup management, business continuity, disaster recovery drill in-line with the bank's disaster recovery plan, incident management, batch processing and monitoring.

Key Audit Matter	How our audit addressed the key audit matter
	We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting processes, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified related to internal controls over financial reporting, we tested compensating controls or performed alternative audit procedures, where necessary. We evaluated the management's assessment of the observations noted by the RBI arising in their IT examination report and the impact of those observations on the standalone financial statements and on internal controls with reference to financial statements and also communicated with those charged with governance and sought their assessment of the impact of the observations.

5. The following Key Audit Matter was included in the audit report dated 27 April 2024 containing an unmodified audit opinion on the special purpose financial statements of Kotak Mahindra Investments Limited, a subsidiary of the Holding Company issued by Kalyaniwalla & Mistry LLP, an independent firm of Chartered Accountants reproduced by us as under:

Provision for Non-performing assets (NPA) in respect of Loans and Advance (including credit substitutes)

Key Audit Matter	How our audit addressed the key audit matter
Gross Non- Performing Assets aggregating to Rs. 2,704.57 lakhs and associated provision for non- performing assets ('NPA Provision') aggregating to Rs. 1,776.64 lakhs are significant to the financial statements and involves judgement around the calculation of the NPA provision. The Reserve Bank of India's ('RBI') guidelines prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Company is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI. The Company has detailed its accounting policy in this regard in Significant accounting policies disclosed in the financial statements. Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	The key audit procedures performed: • We understood and evaluated the design effectiveness and tested the operating effectiveness of the key controls over the identification of NPAs and computation of NPA provision. • We independently assessed the appropriateness of NPA provisioning methodologies and policies followed by the Management and verified the compliance of the same vis a vis RBI norms. • Performing other procedures including substantive audit procedures covering the identification of NPAs by the Company. These procedures included: Reviewing borrower accounts and other related information on a sample basis, selected based on quantitative and qualitative risk factors. • Review of the security pledged to the Company for a selected sample by verifying the valuation reports etc. for the collateral. • With respect to provisioning of advances, we recomputed the NPA provision to ensure arithmetical accuracy and compliance with RBI guidelines.

6. The following Key Audit Matter was included in the audit report dated 26 April 2024 containing an unmodified audit opinion on the special purpose financial statements of Kotak Securities Limited, a subsidiary of the Holding Company issued by Deloitte Haskins & Sells LLP, an independent firm of Chartered Accountants reproduced by us as under:

Key Information technology {IT} systems used in financial reporting process

Key Audit Matter	Auditor's Response
The Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. The Company uses Oracle system as the General Ledger for overall financial reporting which is interfaced with other systems that process transactions, which impacts significant account balances. The Company relies on automated processes and controls for recordings of its transactions and accordingly our audit was focused on Key IT systems and controls due to pervasive impact on the financial statements.	**Principal Audit procedures:** We involved our IT specialists to obtain an understanding of the entity's IT related control environment. Furthermore, we conducted a risk assessment identified IT applications, databases and operating systems that are relevant to our audit. For the key IT systems relevant to financial reporting, our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and network operations. In Particulars: ● we obtained an understanding of the entity's IT environment and key changes if any during the audit period that may be relevant to the audit; ● we tested the design, implementation and operative effectiveness of the general IT control over the key IT systems that are critical to the financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; ● we tested key automated business cycle controls, related interfaces and logics for system generated reports relevant to the audit for evaluating completeness and accuracy; ● we also tested the controls over network segmentation, restriction of remote access to the entity's network, controls over firewall configurations and mechanisms implemented by the entity to prevent, detect and respond to network security incidents; and we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed Significant IT risks that would materially impact the financial statements.

7. The following Key Audit Matters were included in the audit report dated 25 April 2024 containing an unmodified audit opinion on the special purpose financial statements of Kotak Mahindra Prime Limited, a subsidiary of the Holding Company, issued by joint auditors M M Nissim & Co LLP and Mukund M. Chitale & Co., an independent firm of Chartered Accountants reproduced by us as under:

Assessment of Provision for Non-Performing Assets (NPA) in respect of Loans and Advances

Key Audit Matter	How our audit addressed the key audit matter
(Refer Notes 14, 19 and 25 of the special purpose financial statements) The loan balances (including credit substitutes) towards Vehicle Finance, Loans against Securities / Collaterals, Structured Loans, Personal and other Loans aggregates to Rs. 3,456,715 lakhs, which also include Gross Non-Performing Assets Rs.67,319 lakhs. These balances are significant to the special purpose financial statements and involves judgement around the calculation of the NPA provision of Rs. 39,412 lakhs. NPA provision represents management's estimate of losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. NPA provision is calculated in accordance with the NPA policy which is in compliance with the Reserve Bank of India (RBI) guidelines read with the notifications issued by the RBI. Qualitative factors like nature of loan, deterioration in credit quality, reduction in the value of collateral, uncertainty over realisability of collateral, erosion over time and other related factors are taken into consideration to assess need and extent of NPA provision. Given the significant judgement and the complexity of audit procedures involved, we determined this to be a key audit matter.	Our audit procedures on the NPA provision included the following – i) We performed end to end process walkthroughs to identify the key systems, applications and controls used in the NPA provisioning processes. ii) We understood and evaluated the design effectiveness and tested the operating effectiveness of the key controls over the assessment and computation of NPA provision. iii) We independently assessed the appropriateness of NPA provisioning policies and methodologies followed by the Management. iv) For sample of loans across the portfolio, we recomputed the NPA provision to ensure arithmetical accuracy and compliance with the NPA policy as referred to in the Component's special purpose financial statements. v) We evaluated the adequacy of presentation and disclosures in relation to NPA provisions in the special purpose financial statements.

8. The following Key Audit Matter was reported to us by the auditor Price Waterhouse Chartered Accountants LLP, an independent firm of Chartered Accountants of Kotak Mahindra Asset Management Company Limited, a subsidiary of the Holding Company vide their communication dated 29 April 2024 which are reproduced by us as under:

Revenue Recognition – Management fees and portfolio management services

Key Audit Matter	How our audit addressed the key audit matter
The Company recognizes revenue from management fees from mutual fund schemes and Portfolio Management Services rendered to customers, the amounts of which are material to the special purpose standalone financial statements. There are inherent risks of material misstatement since management fee / portfolio management services fee depending upon contractual terms. Accordingly, recognition of revenue is considered to be a key audit matter.	Our audit procedures included: ● Obtained understanding of the revenue recognition in respect of Management fees and portfolio management services ● Evaluated the design effectiveness and tested the operating effectiveness of relevant controls in place in relation to revenue recognition of Management fees and Portfolio Management Services. ● Reviewed the terms of the contracts for Management fees and Portfolio Management Services. ● Obtained the computation details of Management fees and portfolio management services from the Management and recomputed the same on a test check basis. ● Verified invoices raised by the Company and traced collection to the bank statements on a test check basis.

Key Audit Matter	How our audit addressed the key audit matter
	• Verified that changes in the rate structure of the management fee and portfolio management services with the approvals of the authorised personnel to ensure that the invoices are raised at the correct amounts. • Verified the management fees on scheme level with the certificate issued by the statutory auditors of scheme mutual fund. • In respect of management fees and portfolio management fee receivable at the end of the year tested, the subsequent realisation on a test check basis. Basis the above procedures performed, we did not note any exceptions with respect to the management fees and portfolio management services.

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

9. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Basel III – Pillar 3 disclosures and Bank's Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The other information included is expected to be made available to us after the date of this auditor's report except Basel III – Pillar 3 disclosures which was made available prior to the date of our auditor's report.

   Our opinion on the Consolidated 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 Consolidated 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 Consolidated Financial Statements or our 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 CONSOLIDATED FINANCIAL STATEMENTS

10. The accompanying Consolidated 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standard) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India from time to time ('the RBI Guidelines'). The respective Board of Directors of the Holding Company and the subsidiary companies included in the Group and its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines for safeguarding of the assets of the Group and of its associates 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

11. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective companies included in the Group and of its associates, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the companies included in the Group and its associates or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors are also responsible for overseeing the financial reporting process of the subsidiary companies included in the Group and of its associates.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

14. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statement of such entities included in the Consolidated Financial Statements, of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

16. 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.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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.

OTHER MATTER

18. We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets of ₹ 91,263.13 crores (before consolidation adjustments) and net assets of ₹ 28,916.06 crores (before consolidation adjustments) as at 31 March 2024, total revenues of ₹ 13,913.47 crores (before consolidation adjustments) and net cash flows amounting to ₹ 4,156.67 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 236.38 crores for the year ended 31 March 2024 in respect of 2 associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

Further, of these subsidiaries, 5 subsidiaries are located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under the respective auditing standards used by the component auditors, as applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. An Independent firm of Chartered Accountants appointed by the Holding Company's management in India have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the audit reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by the Independent firm of Chartered Accountants appointed by the Holding Company's management in India.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

19. Further, one of the subsidiary company whose financial statement reflects total assets of ₹ 81,649.97 crores (before consolidation adjustments) and net assets of ₹ 5,863.23 crores (before consolidation adjustments) as at 31 March 2024, total revenues of ₹ 26,867.39 crores (before consolidation adjustments) and net cash flows of ₹ (70.98) crores for the year ended 31 March 2024, as considered in the Consolidated Financial Statements, which have been audited by Price Waterhouse LLP, one of the joint auditors of the Bank, along with other joint auditors of the subsidiary company, whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the joint auditors of subsidiary company.

    Our opinion above on Consolidated Financial Statements is not modified in respect of this matter.

20. Further, one of the subsidiary company whose financial statement reflects total assets of ₹ 1,428.74 crores (before consolidation adjustments) and net assets of ₹ 864.58 crores (before consolidation adjustments) as at 31 March 2024, total revenues of ₹ 407.70 crores (before consolidation adjustments) and net cash flows of ₹ (129.31) crores for the year ended 31 March 2024, as considered in the Consolidated Financial Statements, which have been audited by Price Waterhouse LLP, one of the joint auditors of the Bank, whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the auditor of subsidiary company.

    Our opinion above on Consolidated Financial Statements is not modified in respect of this matter.

21. The following other matter paragraph has been included in the audit report of Kotak Mahindra Life Insurance Company Limited ('KLIFE') the subsidiary of the Bank, issued by the joint auditors of KLIFE vide their report dated 26 April 2024:

    "The actuarial valuation of liabilities for policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"), which has been certified by the Appointed Actuary in accordance with regulations, as mentioned in the paragraph 10 below. Accordingly, we have relied upon Appointed Actuary's certificate for forming our opinion on the financial statements of the Company. Our opinion is not modified in respect of this matter."

    The following paragraph 'paragraph 10' was included in the audit report of Kotak Mahindra Life Insurance Company Limited, reproduced by us as under:

    "The actuarial valuation of liabilities for policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at March 31, 2024 has been duly certified by the Appointed Actuary and in his opinion, the actuarial liabilities have been calculated in accordance with generally accepted actuarial principles, the requirements of the Insurance Act, 1938, Insurance Act (as amended from time to time), relevant IRDA regulations and the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India in concurrence with the IRDAI."

    Our opinion is not modified in respect of this matter.

22. The following other matter paragraph has been included in the audit report of Kotak Mahindra General Insurance Company Limited ('KMGICL'), the subsidiary of the Bank, issued by the joint auditors of KMGICL vide their report dated 24 April 2024:

    "Pursuant to IRDAI (Appointed Actuary) Regulations 2017, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ("IBNR"), claims Incurred But Not Enough Reported ("IBNER") and Premium Deficiency Reserve ("PDR") as at March 31, 2024, has been duly certified by the Appointed Actuary. They have also certified that assumptions used for such valuation are appropriate and in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. Accordingly, we have relied upon the aforesaid certificate from the Appointed Actuary while forming our opinion on the financial statements of the Company."

    Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

23. The Consolidated Balance Sheet and the Consolidated 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.

24. 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.

    Based on the consideration of audit report of the statutory auditors of Kotak Mahindra Life Insurance Company Limited and Kotak Mahindra General Insurance Company Limited, the subsidiary companies, the remuneration paid to their directors during the year ended 31 March 2024 was in accordance with the provisions of section 197 of the Act, read with section 34A of the Insurance Act, 1938. Further, based on the consideration of audit reports of the statutory auditors of twelve subsidiaries reported to us namely, Kotak Securities Limited, Kotak Mahindra Trusteeship Services Limited, Kotak Mahindra Capital Company Limited, Kotak Mahindra Trustee Company Limited, Kotak Mahindra Prime Limited and Kotak Mahindra Pension Fund Limited, BSS Microfinance Limited, Kotak Mahindra Asset Management Company Limited, Kotak Mahindra Investments Limited, Kotak Infrastructure Debt Fund Limited, Sonata Finance Private Limited, Kotak Alternate Asset Managers Limited, the remuneration paid to their directors during the year ended 31 March 2024 was in accordance with the provisions of section 197 of the Act.

    Based on the consideration of audit report of the statutory auditors of IVY Products Intermediaries Limited, subsidiary company, Phoenix ARC Private Limited and Infina Finance Private Limited, the associate companies, the provisions of section 197 read with Schedule V of the Act, are not applicable to it for the year ended 31 March 2024.

25. Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors; except for the matters stated in paragraph 25(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standard) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 25(b) above on reporting under Section 143(3)(b) and paragraph 25(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);.

    g) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of other auditors on separate financial statements of such subsidiaries, associates, as noted in the "Other Matters" paragraph:

        i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group, and its associates as detailed in Refer - Schedule 12.I, Schedule 17 - Note 2(X) and Schedule 17 - Note 9 to the Consolidated Financial Statements;

ii. Provision has been made in the Consolidated Financial Statements as at 31 March 2024, as required under the applicable law or the Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31March 2024 as detailed in Refer (a) - Schedule 12.II, 12.V(i), 12.V(ii), Schedule 17 – Note 2(G), Schedule 17 – Note 2(X) and Schedule 17 – Note 7 and Note 9 to the Consolidated Financial Statements and in respect of such items as it relates to the Schedule 17 – Note 19 to the Consolidated Financial Statements in respect of the Group's share of net profit of its associates;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, and associate companies incorporated in India, as applicable, during the year ended 31 March 2024.

iv. a. The respective Managements of the Bank, subsidiaries and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in Schedule 17 – Note 24, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or any of such subsidiaries and associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective Managements of the Bank, its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in Schedule 17 – Note 24, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures, that which we have has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Bank and its subsidiaries and associates is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, and that performed by respective auditors of the subsidiaries and associates, which are the companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below in respect of the Bank and its subsidiaries and associates, the Bank, its subsidiaries and associates have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) and that has operated throughout the year for all relevant transactions recorded in the software.

Description of Instances	Number of instances
Instances of inability of the auditor to comment on certain software in the absence of service organization controls auditors' report covering the audit trail requirement for the period 01 April 2023 to 31 March 2024.	One instance of Bank, twelve instances of twelve subsidiaries and one instance of one associate
Instances where the audit trail feature is either not enabled, or feature is enabled but not operated for some applications used for maintaining records relating to certain transactions for part of the year.	Three instances of two subsidiaries and one instance of one associate
Instances where audit trail has not been enabled at the database level to log any direct data changes for certain accounting software.	Six instances of Bank, six instances of three subsidiaries and certain instances of one subsidiary

During the course of performing our procedures, for the accounting software other than the aforesaid software/ databases where the question of our commenting does not arise, we and respective auditors of the above referred subsidiaries and associates 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: 24042190BKFFOR5344

Place : Mumbai
Date : 04 May 2024

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

Gautam Shah
Partner
Membership Number: 117348
UDIN: 24117348BKBZWL1408

Place : Mumbai
Date : 04 May 2024

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

REFERRED TO IN PARAGRAPH 25(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 Consolidated 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 consolidated financial statements of Kotak Mahindra Bank Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub-section 143 of the Act in respect of adequacy of the internal control with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, 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. 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 Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of such 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements

6. A Bank's internal financial controls with reference to the Consolidated 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 Consolidated 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 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to Consolidated Financial Statements of the subsidiary companies and associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such controls were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Group 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements in so far as it relates to fifteen subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

   Our opinion is not modified in respect of this matter.

10. The following other matter paragraph has been included in the Annexure 'A' to the audit report of Kotak Mahindra Life Insurance Company Limited ('KLIFE') the subsidiary of the Bank, issued by the joint auditors of KLIFE vide their report dated 26 April 2024:

    "The actuarial valuation of liabilities for policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31st March 2024 is required to be certified by Appointed Actuary as per the regulations and has been relied upon by us, as mentioned in para 4 and 10 of our audit report on the financial statements for the year ended March 31, 2024.Accordingly, our opinion on the internal financial control over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valaution."

    The following paragraph 'paragraph 4' was included in the audit report of Kotak Mahindra Life Insurance Company Limited, reproduced by us as under:

    "The actuarial valuation of liabilities for policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31st March 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"), which has been certified by the Appointed Actuary in accordance with regulations, as mentioned in the paragraph 10 below. Accordingly, we have relied upon Appointed Actuary's certificate for forming our opinion on the financial statements of the Company. Our opinion is not modified in respect of this matter."

    The following paragraph 'paragraph 10' was included in the audit report of Kotak Mahindra Life Insurance Company Limited, reproduced by us as under:

    "The actuarial valuation of liabilities for policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31st March 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at March 31, 2024 has been duly certified by the Appointed Actuary and in his opinion, the actuarial liabilities have been calculated in accordance with generally accepted actuarial principles, the requirements of the Insurance Act, 1938, Insurance Act (as amended from time to time), relevant IRDA regulations and the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India in concurrence with the IRDAI."

    Our opinion above is not modified in respect of this matter.

11. The following other matter paragraph has been included in the Annexure 'A' to the audit report of Kotak Mahindra General Insurance Company Limited, ('KMGICL') the subsidiary of the Bank, issued by the joint auditors of KMGICL vide their report dated 24 April 2024:

    "Pursuant to IRDAI (Appointed Actuary) Regulations 2017, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ("IBNR"), claims Incurred But Not Enough Reported ("IBNER") and Premium Deficiency Reserve ("PDR") as at March 31, 2024, has been duly certified by the Appointed Actuary. They have also certified that assumptions used for such valuation are appropriate and in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the aforesaid certificate from the Appointed Actuary while forming our opinion on the financial statements of the Company as mentioned in Other Matter paragraph in our audit report on the financial statements for the year ended March 31, 2024. Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the adequacy and operating effectiveness of the internal control over the valuation and accuracy of the aforesaid actuarial liabilities."

    Our opinion above is not modified in respect of this matter.

For **Price Waterhouse LLP**
Chartered Accountants

Firm Registration Number: 301112E/ E300264

Russell I Parera
Partner
Membership Number: 042190
UDIN: 24042190BKFFOR5344

Place : Mumbai
Date : 04 May 2024

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

Gautam Shah
Partner
Membership Number: 117348
UDIN: 24117348BKBZWL1408

Place : Mumbai
Date : 04 May 2024

Consolidated Balance Sheet

as at 31st March, 2024

(₹ in thousands)

	Schedule	As at 31st March, 2024	As at 31st March, 2023
CAPITAL AND LIABILITIES			
Capital	1	9,939,604	14,932,783
Employees' Stock Options (Grants) Outstanding		792,938	603,058
Reserves and Surplus	2	1,288,984,358	1,107,608,142
Deposits	3	4,452,687,613	3,612,726,221
Borrowings	4	751,056,062	570,339,234
Policyholders' Funds		733,755,969	579,794,726
Other Liabilities and Provisions	5	439,453,046	318,293,184
Total		**7,676,669,590**	**6,204,297,348**
ASSETS			
Cash and Balances with Reserve Bank of India	6	362,867,354	199,852,047
Balances with Banks and Money at Call and Short Notice	7	289,196,520	229,401,424
Investments	8	2,464,457,213	1,953,379,702
Advances	9	4,303,515,813	3,591,074,627
Fixed Assets	10	25,625,078	22,612,045
Other Assets	11	221,530,045	199,839,973
Goodwill on Consolidation		9,477,567	8,137,530
Total		**7,676,669,590**	**6,204,297,348**
Contingent Liabilities	12	7,340,573,761	4,676,403,766
Bills for Collection		474,677,060	446,552,442
Significant Accounting Policies and Notes to Accounts forming part of the Consolidated Financial Statements	17		
The schedules referred to above form an integral part of this Consolidated Balance Sheet			

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

Consolidated Profit and Loss Account[1]

for the year ended 31st March, 2024

(₹ in thousands)

	Schedule	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I. INCOME			
Interest Earned	13	562,366,323	421,510,612
Other Income	14	380,372,782	259,909,660
Total		**942,739,105**	**681,420,272**
II. EXPENDITURE			
Interest Expended	15	225,672,371	144,111,322
Operating Expenses	16	458,708,240	336,450,287
Provisions and Contingencies (Refer Note 7.A - Schedule 17)		78,590,241	53,054,242
Total		**762,970,852**	**533,615,851**
III. PROFIT			
Net Profit for the year		179,768,253	147,804,421
Add: Share in profit / (loss) of Associates		2,363,822	1,445,675
Consolidated Profit for the year attributable to the Group		**182,132,075**	**149,250,096**
Add : Balance in Profit and Loss Account brought forward from previous year		635,331,703	524,804,324
Total		**817,463,778**	**674,054,420**
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		34,454,000	27,348,300
Transfer to Special Reserve u/s 45 IC of RBI Act, 1934		2,959,203	2,211,161
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,250,000	1,150,000
Transfer to Debenture Redemption Reserve		75,000	161,000
Transfer to Capital Redemption Reserve		5,000,000	-
Transfer to Capital Reserve		-	9,900
Transfer to / (from) Investment Reserve Account		8,316,321	-
Transfer to Investment Fluctuation Reserve Account		12,000,000	5,253,150
Dividend		3,366,210	2,589,206
Balance carried over to Balance Sheet		750,043,044	635,331,703
Total		**817,463,778**	**674,054,420**
V. EARNINGS PER SHARE (Refer Note 10 - Schedule 17)			
Basic (₹)		91.45	74.96
Diluted (₹)		91.45	74.94
Face value per share (₹)		5.00	5.00
Significant Accounting Policies and Notes to Accounts forming part of the Consolidated Financial Statements	17		
The schedules referred to above form an integral part of this Consolidated Profit and Loss Account			

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

[1] *GRI 201-1*

Consolidated Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before share in profit / (loss) of Associates	179,768,253	147,804,421
Add: Provision for tax	58,865,554	48,657,419
Net Profit before taxes	**238,633,807**	**196,461,840**
Adjustments for :-		
Employee Stock Options Expense	449,476	456,424
Depreciation on Group's property	7,917,534	5,992,592
Provision for Diminution / (Write back) in the value of Investments	742,296	(181,638)
(Profit) / Loss on revaluation of Investments (net)	(46,437,867)	14,077,645
(Profit) / Loss on sale of Investments (net)	(27,735,517)	(9,068,640)
Amortisation of Premium on Investments	2,714,066	5,776,307
Provision for Non Performing Assets, Standard Assets and Other Provisions	18,982,391	4,578,461
Profit on sale of Fixed assets	(71,379)	(107,784)
	195,194,807	**217,985,207**
Adjustments for :-		
(Increase) / Decrease in Investments - Available for Sale, Held for Trading and Stock-in-Trade	(363,267,540)	(221,348,255)
(Increase) in Advances	(708,186,386)	(551,423,212)
(Increase) / Decrease in Other Assets	(18,755,386)	22,496,950
Increase in Deposits	839,961,392	511,857,293
Increase in Policyholders' Funds	153,961,243	73,126,825
Increase / (Decrease) in Other Liabilities and Provisions	118,317,766	(17,465,333)
Sub-total	**22,031,089**	**(182,755,732)**
Direct Taxes Paid	**(60,375,926)**	**(47,653,776)**
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)	**156,849,970**	**(12,424,301)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(11,266,882)	(9,867,647)
Sale of Fixed assets	346,136	261,269
Acquisition of equity shares in subsidiary	(5,319,411)	-
(Increase) in Other Investments (including investments in HTM securities)	(74,729,127)	(95,895,379)
NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES (B)	**(90,969,284)**	**(105,501,757)**

Consolidated Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(3,366,210)	(2,589,206)
Money received on issue of Equity Shares / exercise of stock options	1,992,348	2,678,633
Redemption of Perpetual Non-Cumulative Preference Shares	(5,000,000)	-
Increase in borrowings	161,524,930	18,740,583
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	**155,151,068**	**18,830,010**
Increase in Foreign Currency Translation Reserve (D)	**365,228**	**1,694,676**
Net Cash and Cash Equivalent on Acquisition of Subsidiary (E)	**1,413,421**	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	**222,810,403**	**(97,401,372)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE BELOW)	**429,253,471**	**526,654,843**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE BELOW)	**652,063,874**	**429,253,471**
Note:		
Balance with banks in India in Other Deposit Accounts (As per Schedule 7 I (i) (b))	103,217,847	78,897,269
Balance with banks in India in Current Account (As per Schedule 7 I (i) (a))	5,151,790	4,546,355
Money at call and short notice in India with Banks (As per Schedule 7 I (ii) (a))	15,727,551	98,035,628
Money at call and short notice in India with Other Agencies (As per Schedule 7 I (ii) (b))	114,806,704	1,500,000
Cash in hand (As per Schedule 6 I)	20,257,279	19,020,194
Balance with RBI in Current Account (As per Schedule 6 II (i))	192,100,075	180,831,853
Balance with RBI in Other Account (As per Schedule 6 II (ii))	150,510,000	-
Balance with banks Outside India:		
(i) In Current Account (As per Schedule 7 II (i))	28,511,274	24,488,381
(ii) In Other Deposit Accounts (As per Schedule 7 II (ii))	21,781,354	21,933,791
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**652,063,874**	**429,253,471**

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

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

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Uday Khanna
Director
DIN: 00079129

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

Schedules

forming part of Consolidated Balance Sheet as at 31st March, 2024

SCHEDULE 1 - CAPITAL

(₹ in thousands)

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

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**Statutory Reserve**		
	Opening Balance	148,317,983	120,969,683
	Add: Transfer from Profit and Loss Account	34,454,000	27,348,300
	Total	**182,771,983**	**148,317,983**
II.	**Capital Reserve**		
	Opening Balance	3,531,886	3,521,986
	Add: Transfer from Profit and Loss Account	-	9,900
	Total	**3,531,886**	**3,531,886**
III.	**General Reserve**		
	Opening Balance	6,561,992	6,540,937
	Add: Amount transferred on Employee's Stock Options (Grants) Outstanding lapsed	69,716	21,055
	Add: Transfer from Debenture Redemption Reserve	118,000	-
	Total	**6,749,708**	**6,561,992**
IV.	**Securities Premium Account**		
	Opening Balance	253,154,188	250,339,655
	Add: Received during the year	2,175,407	2,814,533
	Total	**255,329,595**	**253,154,188**
V.	**Special Reserve under Section 45 IC of the RBI Act, 1934**		
	Opening Balance	20,513,408	18,302,247
	Add: Transfer from Profit and Loss Account	2,959,203	2,211,161
	Total	**23,472,611**	**20,513,408**
VI.	**Capital Reserve on Consolidation**		
	Opening Balance	1,475,671	1,475,671
	Total	**1,475,671**	**1,475,671**
VII.	**Foreign Currency Translation Reserve** (Refer Note 2(G)(viii) and (xii)- Schedule 17)		
	Opening Balance	5,074,965	3,380,289
	Increase / (Decrease) during the year	365,228	1,694,676
	Total	**5,440,193**	**5,074,965**

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
VIII.	**Investment Reserve Account**		
	Opening Balance	-	-
	Add: Transfer from Profit and Loss Account	8,316,321	-
	Total	**8,316,321**	**-**
IX.	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961**		
	Opening Balance	8,942,000	7,792,000
	Add: Transfer from Profit and Loss Account	1,250,000	1,150,000
	Total	**10,192,000**	**8,942,000**
X.	**Investment Fluctuation Reserve**		
	Opening Balance	23,000,000	17,746,850
	Add: Transfer from Profit and Loss Account	12,000,000	5,253,150
	Total	**35,000,000**	**23,000,000**
XI.	**Capital Redemption Reserve**		
	Opening Balance	101,800	101,800
	Add: Transfer from Profit and Loss Account	5,000,000	-
	Total	**5,101,800**	**101,800**
XII.	**Amalgamation Reserve**		
	Opening Balance	1,224,046	1,224,046
	Total	**1,224,046**	**1,224,046**
XIII.	**Investment Allowance (Utilised) Reserve**		
	Opening Balance	500	500
	Total	**500**	**500**
XIV.	**Debenture Redemption Reserve**		
	Opening Balance	378,000	217,000
	Add: Transfer from Profit and Loss Account	75,000	161,000
	Less: Transfer to General Reserve	(118,000)	-
	Total	**335,000**	**378,000**
XV.	**Balance in the Profit and Loss Account**	750,043,044	635,331,703
	Total (I to XV)	**1,288,984,358**	**1,107,608,142**

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
A.			
I.	**Demand Deposits**		
	i. From Banks	3,068,958	2,435,164
	ii. From Others	731,268,682	686,434,025
	Total	**734,337,640**	**688,869,189**
II.	**Savings Bank Deposits**	1,290,951,628	1,217,850,232
III.	**Term Deposits**		
	i. From Banks	96,581,087	26,074,227
	ii. From Others	2,330,817,258	1,679,932,573
	Total	**2,427,398,345**	**1,706,006,800**
	Total Deposits (I to III)	**4,452,687,613**	**3,612,726,221**
B.			
I.	Deposits of Branches in India	4,424,292,712	3,594,616,365
II.	Deposits of Branches Outside India	28,394,901	18,109,856
	Total Deposits (I + II)	**4,452,687,613**	**3,612,726,221**

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**Borrowings in India**		
	(i) Reserve Bank of India	-	47,000,000
	(ii) Other Banks	193,774,035	167,075,151
	(iii) Other Institutions and Agencies (Refer Note 12 - Schedule 17)	483,302,871	311,361,791
	Total	**677,076,906**	**525,436,942**
II.	**Borrowings outside India**		
	Banks and Other Institutions	73,979,156	44,902,292
	Total	**73,979,156**	**44,902,292**
	Total Borrowings (I + II)	**751,056,062**	**570,339,234**
	Secured Borrowings (other than CBLO and Repo Borrowings included in I above)	**326,521,665**	**235,428,305**

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	Bills Payable	36,051,339	30,880,205
II.	Interest Accrued	30,324,751	15,559,185
III.	Provision for tax (net of advance tax and tax deducted at source)	8,784,143	8,458,029
IV.	Standard Asset provision	20,029,538	17,157,419
V.	Others (including provisions) (Refer Note 3, 6 and 23 (a) - Schedule 17)	344,263,275	246,238,346
	Total	**439,453,046**	**318,293,184**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	Cash in hand (including foreign currency notes)	20,257,279	19,020,194
II.	Balances with RBI		
	(i) in Current Account	192,100,075	180,831,853
	(ii) in Other Account	150,510,000	-
	Total	**362,867,354**	**199,852,047**

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

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**In India**		
	(i) Balances with Banks		
	(a) In Current Accounts	5,151,790	4,546,355
	(b) In Other Deposit Accounts (Refer Note 4 - Schedule 17)	103,217,847	78,897,269
	Total	**108,369,637**	**83,443,624**
	(ii) Money at Call and Short Notice		
	(a) With Banks	15,727,551	98,035,628
	(b) With Other Agencies	114,806,704	1,500,000
	Total	**130,534,255**	**99,535,628**
	Total (i + ii)	**238,903,892**	**182,979,252**
II.	**Outside India**		
	(i) In Current Accounts	28,511,274	24,488,381
	(ii) In Other Deposit Accounts	21,781,354	21,933,791
	Total (i + ii)	**50,292,628**	**46,422,172**
	Total (I + II)	**289,196,520**	**229,401,424**

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**Investments in India in** (Refer Note 5 - Schedule 17)		
i.	Government Securities	1,562,220,211	1,239,635,493
ii.	Other approved Securities	-	-
iii.	Shares	246,082,121	180,795,864
iv.	Debentures and Bonds	367,256,537	359,616,543
v.	Subsidiaries and Joint Ventures (Refer Note 25 - Schedule 17)	10,000	-
vi.	Associates *	16,884,672	14,520,850
vii.	Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates (PTC), Alternate Asset and Other similar funds]	254,721,020	146,347,053
	Total	**2,447,174,561**	**1,940,915,803**
II.	**Investments Outside India in**		
i.	Government Securities	2,892,369	1,464,844
ii.	Shares	18,052	12,472
iii.	Debentures and Bonds	14,011,382	10,335,499
iv.	Others [Venture, Private Equity and other similar funds]	360,849	651,084
	Total	**17,282,652**	**12,463,899**
	Total Investments (I + II)	**2,464,457,213**	**1,953,379,702**
	*** Investment in Associates**		
	Equity Investment in Associates	1,012,900	1,012,900
	Less: Capital reserve on Consolidation (Share of pre-acquisition profits)	1,651	1,651
	Cost of Investment in Associates	**1,011,249**	**1,011,249**
	Add: Post-acquisition profit / (loss) and Reserve of Associates (Equity method)	15,873,423	13,509,601
	Total	**16,884,672**	**14,520,850**

SCHEDULE 9 - ADVANCES

(₹ in thousands)

			As at 31st March, 2024	As at 31st March, 2023
A.	(i)	Bills purchased and discounted #	75,847,475	55,508,802
	(ii)	Cash Credits, Overdrafts and Loans repayable on demand^	1,204,741,113	980,676,164
	(iii)	Term Loans@	3,022,927,225	2,554,889,661
	Total		**4,303,515,813**	**3,591,074,627**
	# Bills purchased and discounted is net of bills rediscounted ₹ 2,723.66 crore (previous year ₹ 1,475.84 crore)			
	^ net of borrowings under Inter Bank Participatory certificates of ₹ 2.54 crore (Previous Year ₹ 220.00 crore)			
	@ net of borrowings under Inter Bank Participatory certificates of ₹ 12,787.26 crore (Previous Year ₹ 3,986.26 crore)			
B.	(i)	Secured by tangible assets *	3,362,281,542	2,825,103,083
	(ii)	Covered by Bank / Government guarantees	33,710,160	69,720,473
	(iii)	Unsecured	907,524,111	696,251,071
	Total		**4,303,515,813**	**3,591,074,627**
	* including advances secured against book debts			
C. I	**Advances in India**			
	(i)	Priority Sector	1,677,430,941	1,471,534,973
	(ii)	Public Sector	23,509,188	4,093,487
	(iii)	Banks	13,650,218	2,077
	(iv)	Others	2,528,418,889	2,066,902,228
	Total		**4,243,009,236**	**3,542,532,765**
C. II	**Advances outside India**			
	(i)	Due from banks	-	-
	(ii)	Due from others		
		a) Bills purchased and discounted	-	-
		b) Syndicated and term loans	60,506,577	48,541,862
		c) Others	-	-
	Total		**60,506,577**	**48,541,862**
	Grand Total (C.I and C.II)		**4,303,515,813**	**3,591,074,627**

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
A.	**Premises (Including Land)**		
	Gross Block		
	At cost on 31st March of the preceding year	11,324,469	11,318,275
	Add: Additions/Exchange Gain/(Loss) during the year	2,240	11,563
	Less: Deductions during the year	13	5,369
	Total	**11,326,696**	**11,324,469**
	Depreciation		
	As at 31st March of the preceding year	2,546,441	2,360,672
	Add: Charge/Exchange Gain/(Loss) for the year	187,192	186,963
	Less: Deductions during the year	-	1,194
	Depreciation to date	**2,733,633**	**2,546,441**
	Net Block	**8,593,063**	**8,778,028**
B.	**Other Fixed Assets (including furniture and fixtures)**		
	Gross Block		
	At cost on 31st March of the preceding year	42,967,959	37,742,550
	Add: Additions/Exchange Gain/(Loss) during the year (including on acquisitions)	11,203,084	9,650,804
	Less: Deductions during the year	1,481,891	4,425,395
	Total	**52,689,152**	**42,967,959**
	Depreciation		
	As at 31st March of the preceding year	29,290,926	27,760,823
	Add: Charge/Exchange Gain/(Loss) for the year	7,730,342	5,805,629
	Less: Deductions during the year	1,364,131	4,275,526
	Depreciation to date	**35,657,137**	**29,290,926**
	Net Block (Refer Note 21 - Schedule 17)	**17,032,015**	**13,677,033**
C.	**Leased Fixed Assets**		
	Gross Block		
	At cost on 31st March of the preceding year	1,540,585	1,540,585
	Add: Additions/Exchange Gain/(Loss) during the year	-	-
	Less: Deductions during the year	1,540,585	-
	Total	**-**	**1,540,585**
	Depreciation		
	As at 31st March of the preceding year	1,383,601	1,383,601
	Add: Charge/Exchange Gain/(Loss) for the year	-	-
	Less: Deductions during the year	1,383,601	-
	Depreciation to date	**-**	**1,383,601**
	Net Block	**-**	**156,984**
	Total (A) + (B) + (C)	**25,625,078**	**22,612,045**

SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	Interest accrued	62,252,623	53,859,399
II.	Advance tax (net of provision for tax)	2,634,973	1,066,886
III.	Stationery and stamps	102,605	114,152
IV.	Others* (Refer Note 3, 20 and 23 (b) - Schedule 17)	156,539,844	144,799,536
	Total	**221,530,045**	**199,839,973**

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

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	Claims not acknowledged as debts	9,881,398	8,699,391
II.	Liability on account of outstanding forward exchange contracts	5,019,201,824	2,991,383,200
III.	Guarantees on behalf of constituents		
	i) In India	321,157,013	279,634,388
	ii) Outside India	124,606	124,704
IV.	Acceptances, Endorsements and Other Obligations	262,663,257	244,573,710
V.	Other items for which the Group is contingently liable:		
	i) Liability in respect of interest rate, currency swaps and forward rate agreements	1,565,132,212	1,067,674,426
	ii) Liability in respect of other derivative contracts	118,435,081	38,378,490
	iii) Capital commitments not provided	39,858,367	42,371,214
	iv) Unclaimed customer balances *	4,120,003	3,564,243
	Total	**7,340,573,761**	**4,676,403,766**

** includes amount transferred to RBI DEA Fund Scheme*

SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

		For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
I.	Interest / discount on advances / bills	408,661,623	307,350,622
II.	Income on investments	132,966,020	98,944,138
III.	Interest on balances with RBI and other inter-bank funds	15,423,610	10,293,531
IV.	Others	5,315,070	4,922,321
	Total	**562,366,323**	**421,510,612**

SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

		For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
I.	Commission, exchange and brokerage	103,827,061	82,368,296
II.	Profit on sale of Investments (net)	27,735,517	9,068,640
III.	Profit / (Loss) on revaluation of investments (net)	46,437,867	(14,077,645)
IV.	Profit on sale of building and other assets (net)	71,379	107,784
V.	Profit on exchange on transactions (net) (including derivatives)	12,687,959	17,038,445
VI.	Premium on Insurance business	184,253,086	157,998,624
VII.	Profit on recoveries of non-performing assets acquired	3,217,957	3,651,752
VIII.	Miscellaneous Income (Refer Note 23 (c) - Schedule 17)	2,141,956	3,753,764
	Total	**380,372,782**	**259,909,660**

SCHEDULE 15 - INTEREST EXPENDED

(₹ in thousands)

		For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
I.	Interest on Deposits	182,285,015	117,657,645
II.	Interest on RBI / Inter-Bank Borrowings	15,815,528	9,951,319
III.	Others (Refer Note 13 - Schedule 17)	27,571,828	16,502,358
	Total	**225,672,371**	**144,111,322**

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

		For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
I.	Payments to and provision for employees (Refer Note 3 and 11 - Schedule 17)	103,473,126	84,790,295
II.	Rent, taxes and lighting (Refer Note 15 - Schedule 17)	9,687,465	9,357,718
III.	Printing and Stationery	2,232,761	1,988,796
IV.	Advertisement, Publicity and Promotion	15,563,775	11,976,963
V.	Depreciation on Group's property	7,917,534	5,992,592
VI.	Directors' fees, allowances and expenses	146,585	82,953
VII.	Auditors' fees and expenses		
	Statutory Audit fees	122,850	115,043
	Other Matters	11,004	8,910
VIII.	Law Charges	461,806	553,947
IX.	Postage, telephones etc.	5,317,349	4,585,880
X.	Repairs and maintenance	14,393,747	12,071,736
XI.	Insurance	4,739,689	3,943,982
XII.	Policyholders' reserve cost	152,734,888	74,378,486
XIII.	Claims and benefits paid pertaining to insurance business	78,320,590	68,350,041
XIV.	Other Expenditure (Refer Note 23 (d) - Schedule 17)	63,585,071	58,252,945
	Total	**458,708,240**	**336,450,287**

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL:

Overview

Kotak Mahindra Bank Limited ('the Bank' or 'KMBL'), together with its subsidiaries (collectively, 'the Group'), is a diversified financial services group providing a wide range of banking and financial services including Consumer Banking, Commercial Banking, Treasury and Corporate Banking, Investment Banking, Stock Broking, Vehicle Finance, Advisory Services, Asset Management, Life Insurance and General Insurance. The Bank set up and commenced operations in May 2016, at its International Financial Services Center Banking Unit ('IBU') in Gujarat International Finance Tec ('GIFT') City, Gujarat. The Bank has commenced operations in October 2019 at its first overseas branch at the Dubai International Financial Centre ('DIFC'), Dubai, UAE.

Basis of Consolidation

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 (AS-21), "Consolidated Financial Statements". Investment in Associates are accounted by the Group under the equity method in accordance with Accounting Standard 23 (AS-23), "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 and the relevant provisions of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Group as amended from time to time. The Bank consolidates entities in which it holds, directly or indirectly through subsidiaries, more than 50% of the voting rights or where it exercises control, on a line by line basis by adding together like items of assets, liabilities, income and expenses in accordance with AS-21. The Goodwill or Capital Reserve on consolidation represents the difference between the Group's share in the networth of the subsidiary and the cost of acquisition at the time of making investment in the subsidiary. Intragroup balances, intragroup transactions and resulting unrealised profits, if any, are eliminated in full. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered. Goodwill on consolidation is not amortised. Assessment is done at each balance sheet date as to whether there is any indication that goodwill may be impaired.

Minority interest representing the part of net results of operations and of the net assets of subsidiary attributable to interests not owned directly or indirectly through subsidiaries is presented separately from liabilities and the equity. Further, the Group accounts for investments in entities where it holds 20% to 50% of the voting rights or exercises significant influence by the equity method of accounting in accordance with AS-23. The financial statements of the subsidiaries and associates used in consolidation are drawn up to the same reporting date as that of the holding Company i.e. 31st March, 2024.

a. The list of subsidiaries is as under:

Name of the Subsidiary	Country of Origin	% Shareholding of Group (31st March, 2024)	% Shareholding of Group (31st March, 2023)
Kotak Mahindra Prime Limited	India	100.00	100.00
Kotak Securities Limited	India	100.00	100.00
Kotak Mahindra Capital Company Limited	India	100.00	100.00
Kotak Mahindra Life Insurance Company Limited	India	100.00	100.00
Kotak Mahindra Investments Limited	India	100.00	100.00
Kotak Mahindra Asset Management Company Limited	India	100.00	100.00
Kotak Mahindra Trustee Company Limited	India	100.00	100.00
Kotak Mahindra (International) Limited	Mauritius	100.00	100.00
Kotak Mahindra (UK) Limited	UK	100.00	100.00
Kotak Mahindra, Inc.	USA	100.00	100.00
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	India	100.00	100.00
Kotak Mahindra Trusteeship Services Limited	India	100.00	100.00
Kotak Infrastructure Debt Fund Limited	India	100.00	100.00
Kotak Mahindra Pension Fund Limited	India	100.00	100.00
Kotak Mahindra Financial Services Limited	UAE	100.00	100.00
Kotak Mahindra Asset Management (Singapore) PTE. Limited	Singapore	100.00	100.00
Kotak Mahindra General Insurance Company Limited	India	100.00	100.00
IVY Product Intermediaries Limited	India	100.00	100.00
BSS Microfinance Limited	India	100.00	100.00
Sonata Finance Private Limited (w.e.f 28th March, 2024) (Refer Note 25 of Schedule 17)	India	100.00	-

On 26th June, 2023, the Bank has incorporated "Kotak Karma Foundation" ("the Foundation") under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence (CoE) of the Bank for furtherance of part of its Corporate Social Responsibility (CSR) Initiatives. Being a Section 8 Company and as per terms of articles, the Foundation would operate with restrictions to transfer funds to the parent, hence in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", the Company shall be excluded from consolidation.

b. As per AS-23, the Consolidated Financial Statements incorporate the audited results of the following associates except as indicated.

Name of the Associate	Country of Origin	% Shareholding of Group (31st March, 2024)	% Shareholding of Group (31st March, 2023)
Infina Finance Private Limited	India	49.99	49.99
Phoenix ARC Private Limited	India	49.90	49.90

2. ACCOUNTING METHODOLOGY AND SIGNIFICANT ACCOUNTING POLICIES:

A. Accounting Methodology

The Consolidated Financial Statements have been prepared on historical cost basis of accounting. The Group adopts the accrual method of accounting and historical cost convention unless stated otherwise. The Group has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards notified under Section 133 and the relevant provisions of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Group and the guidelines issued by the Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) from time to time as applicable and the generally accepted accounting principles prevailing in India. The financial statements of Indian subsidiaries (excluding insurance companies) and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements of subsidiaries located outside India are prepared in accordance with accounting principles generally accepted in their respective countries. However, for the purpose of preparation of the consolidated financial results, the results of subsidiaries and associates are prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 and relevant provision of Companies Act, 2013 read with Companies Accounting Standard Rules, 2021. In case the accounting policies followed by consolidating entities are different from those followed by Bank, the same have been disclosed separately.

B. Use of Estimates

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

C. Revenue Recognition

a. Lending / Investing:

i. Interest income is recognised on accrual basis.

ii. 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.

iii. Interest income on investments in Pass-Through-Certificates (PTCs) and loans bought out through the direct assignment route is recognised at their effective interest rate.

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

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

vi. Upon an asset becoming non-performing assets (NPAs) the income accrued gets reversed, and is recognised only on realisation, as per the RBI guidelines. Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.

vii. 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.

viii. Gain on account of assignment of assets on bilateral basis is recognised based on the difference between the book value of the assigned assets and sale consideration received.

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

x. 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 the RBI guidelines and clarifications.

xi. 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.

xii. Other fees are recognised when due, where it is reasonably certain of ultimate collection.

b. Investment Banking:

i. Issue management fees and placement fees, underwriting commission, referral fees and financial advisory fees are accounted on completion of milestones specified in the contract.

c. Life Insurance:

i. Premium including rider (net of GST) is recognised as income when it is due from policyholders except on unit linked policies, where the premium is recognised when associated units are created.

ii. In accordance with the terms of insurance policies, uncollected premium on lapsed policies is not recognised as income until revived.

iii. Top Up / Lump sum contributions are accounted as a part of the single premium.

iv. Income from unit linked policies, which include fund management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked fund in accordance with the terms and conditions of the insurance contracts and is accounted for as income when due.

v. Reinsurance premium ceded is accounted on due basis at the time when related premium income is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is accounted as income in the year of final determination of profit. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

d. General Insurance:

i. Interest income is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the maturity period of such securities on a constant yield.

ii. Premium net of indirect tax (including reinsurance accepted) is recognised on commencement of the risk.In case of policies where payments are received in installment, the revenue is recognized at the time of receipt of installment. Premium earnings are recognised over the period of the policy or period of risk. Any revisions in premium amount are recognised in the year in which they occur and over the remaining period of the policy. Any subsequent cancellations of policies are recognised in the period in which they occur.

iii. Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognised in the year of final determination of the profits and as intimated by the reinsurer.

iv. Proportional Reinsurance premium ceded is accounted on due basis at the time when related premium income is accounted for. Non-proportional reinsurance cost is accounted as per terms of the reinsurance arrangements. Any revisions in reinsurance premium ceded are recognised in the period in which it occur. On cancellation of policies, related reinsurance premium ceded are recognised in the same period in which it occur. Reinsurance inward acceptances are accounted for on the basis of reinsurance slips, accepted from the reinsurer.

v. In respect of policies booked where risk inception date is subsequent to the balance sheet date, the premium collected is presented in balance sheet as premium received in advance.

vi. Premium deficiency is recognised when sum of expected claim cost, related expenses and maintenance cost (related to claims handling) exceed related reserve for unexpired risk. It is recognised on an annual basis and at segment level for the insurance company viz., fire, marine and miscellaneous. Premium deficiency reserve is estimated and certified by the appointed actuary.

e. Broking:

i. Placement and other fee based income are accounted for on the basis of the progress of the assignment.

ii. Brokerage Income (net of indirect tax):

- On primary market subscription / mobilisation is accounted on receipt of intimation of allotment.
- On secondary market transaction is recognised upon completion of brokerage services to customers.

iii. Depository Fees (net of indirect tax), is recognised on accrual basis and as per terms agreed with the customers. Other charges recovered from secondary broking customers are recognised upon completion of services.

iv. Securities lending or borrowing fees are recognised on pro-rata basis over the tenure of the contract.

f. Asset Management and Advisory Services:

i. Investment management fees are recognised on rendering of services and are dependent on the net asset value and expenses as recorded by the schemes of the funds.

ii. Management fee (net of indirect tax) from venture funds, private equity funds and other similar funds is recognised on accrual basis at the rates specified in the investment management agreement from the date of initial closing of funds under management. Advisory fees (net of indirect tax) is recognised on accrual basis as per the terms of contract.

iii. Revenue from rendering of investment advisory business is recognised on a straight line basis over the period when services are rendered, which is in accordance with the terms of the mandate letters entered between the company and the high networth individual client.

iv. Portfolio advisory service fees are recognised on accrual basis in accordance with the terms of agreement.

v. Portfolio management service fees are recognised on accrual basis in accordance with the terms of agreement between the Company and the respective clients.

vi. Income on account of distribution from venture capital funds/ alternate investment fund is recognised on the receipt of the distribution letter or when right to receive is established.

vii. The Group receives fees for providing research to clients and records the income at the time services are provided.

D. Fixed Assets (Property, Plant and Equipment and Intangible Assets)

Property, Plant and 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 and other 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 and 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 the RBI guidelines.

Depreciation / Amortisation

Depreciation / amortisation 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	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
Goodwill (Other than on consolidation)	5
Membership Card of the Bombay Stock Exchange Limited	20
Asset Management Rights	5

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

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

E. Employee Benefits

i. Defined Benefit Plans:

Gratuity:

The Group 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 Group's liability is actuarially determined using projected unit credit method at the balance sheet date. The Bank and seven of its subsidiaries make contributions to a gratuity fund administered by trustees and managed by Life Insurance companies. In other subsidiaries gratuity obligation is wholly unfunded. The contribution made to the trusts is recognised as planned assets.

Pension:

In respect of pension payable to certain employees of erstwhile ING Vysya Bank Limited (eIVBL) under Indian Banks' Association (IBA) structure, the Bank contributes 10% of basic salary to a pension fund and the difference between the contribution and the amount actuarially determined by an independent actuary is trued up based on actuarial valuation conducted as at the balance sheet date. The pension fund is managed by a 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.

ii. Defined Contribution Plans:

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 Group has no further obligations.

Superannuation Fund:

The Group 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 Group recognises such contributions as an expense in the year when an employee renders the related service. The Group has no further obligations.

New Pension Scheme:

The Group contributes upto 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 Group 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 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.

iii. Compensated Absences: Other Long-Term Employee Benefits:

The Group 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 Group's obligation is determined using the projected unit credit method as at the balance sheet date. Actuarial gains or losses are recognised in the profit and loss account in the year in which they arise.

iv. Other Employee Benefits:

As per the Group policy, employees are eligible for an award after completion of a specified number of years of service with the Group. 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.

F. Investments

For the Bank:

1. Classification:

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

Under each of these categories, investments are further classified under six groups (hereinafter called "group/ groups") - government securities, other approved securities, shares, debentures and bonds, investments in associates and other investments for the purposes of disclosure in the balance sheet.

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

Basis of classification:

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

2. Acquisition Cost:

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

3. Disposal of investments:

- **Investments classified as HFT or AFS** - Profit or loss on sale or redemption is recognised in the profit and loss account.
- **Investments classified as HTM** - Profit on sale or redemption of investments is recognised in the profit and loss account and is appropriated to capital reserve after adjustments for tax and transfer to statutory reserve. Loss on sale or redemption is recognised in the profit and loss account.

4. Short Sale:

The Bank undertakes short sale transactions in central government dated securities in accordance with the RBI guidelines. The short position is categorised under HFT category and netted off from investments in the balance sheet. The short position is marked to market and loss, if any, is charged to the profit and loss account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the profit and loss account.

5. Valuation:

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

a. **Investments classified as HTM –** These are carried at their acquisition cost. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of such securities is provided.

b. **Investments classified as HFT or AFS –** Investments in these categories are marked to market and the net depreciation, if any, within **each** group is recognised in the profit and loss account. Net appreciation, if any, is ignored. Further, provision for other than temporary diminution is made at the individual security level. Except in cases where provision for other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.

c. The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared on Fixed Income Money Market and Derivatives Association of India (FIMMDA) website by Financial Benchmark India Private Limited (FBIL) as at the year end.

d. Treasury bills, exchange funded bills, commercial paper and certificate of deposits being discounted instruments, are valued at carrying cost.

e. Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.

f. Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:

- In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity for Government Securities as published by FIMMDA/ FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each categories and credit ratings along with residual maturity issued by FIMMDA/ FBIL is adopted for this purpose;
- In case of bonds and debentures (including PTCs) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI. Interest on such securities is not recognised in the profit and loss account until received;
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available, the shares are valued at ₹1 per investee company;
- Units of Venture Capital Funds (VCF) held under AFS category where current valuations are not available are marked to market based on the Net Asset Value (NAV) shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF made after 23rd August, 2006 are categorised under HTM category for an initial period of three years and valued at cost as per the RBI guidelines. Such investments are required to be transferred to AFS thereafter;
- Security receipts are valued as per the NAV obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recoverable value, whichever is lower. The Bank has classified Security Receipts whose tenure has exceeded 8 years, as "Non Performing investments"
- The Bank provides for investments in Alternate Investments Funds (AIF) in in accordance with RBI circular dated 19th December, 2023 and 27th March 2024.

g. Non-performing investments are identified and provision is made thereon based on the RBI guidelines. The provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the profit and loss account until realised.

h. **Repurchase and reverse repurchase transactions –** Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

For the Life Insurance Company:

a. Investments are recorded at cost on trade date which includes brokerage, transfer charges, transaction taxes as applicable, etc. but excludes pre-acquisition interest, if any and indirect tax on brokerage where input tax credit is being claimed.

b. Bonus entitlements are recognised as investments on the 'ex-bonus date'. Rights entitlements are recognised as investments on the 'ex-rights date'.

c. Gain / Loss on transfer or sale of securities is the difference between the transfer or sale price and the net amortised cost / carrying value which is computed on a weighted average basis as on the date of transfer or sale. Sale consideration for the purpose of realised gain / loss is net of brokerage and taxes, if any.

Valuation – Shareholders' Investments and non-linked policy-holders' investments

d. All debt securities are classified as "HTM" for the purpose of valuation and are accordingly recorded at historical cost (excluding interest paid, if any). Debt securities including government securities are stated at net amortised cost. Money market instruments are valued at historical cost subject to accretion of discount. The premium or discount, if any, on purchase of debt securities is amortised or accreted over the period to maturity on an internal rate of return basis.

e. Listed equity shares as at the balance sheet dates are stated at fair value being the quoted closing price on National Stock Exchange Limited (NSE). If an equity share is not listed or traded on NSE, then closing share price on BSE (formerly known as Bombay Stock Exchange) is used. Unlisted shares or shares awaiting listing are stated at historical cost subject to provision for diminution, if any. In case of Infrastructure Investment Trusts (InvIT), where market quote is not available for the last 30 days, the units shall be valued as per the latest NAV (not more than 6 months old) of the units published by the trust. All redeemable unlisted preference shares are classified as held to maturity and stated at historical cost.

In case of diminution in the value of investment as at the balance sheet date which is other than temporary, the amount of such diminution is recognised as an expense in the profit and loss account to the extent of difference between the remeasured fair value of the investment and its acquisition cost as reduced by any previous impairment loss recognised in profit and loss account. Any reversal of impairment loss is recognised in the profit and loss account.

f. Investments in mutual funds are valued at the latest NAV of the funds in which they are invested. Investments in Alternative Investment Funds are valued at the latest NAV.

The investment in Additional Tier 1 Bonds are valued at an applicable market yield rates provided by Credit Rating Information Services of India Limited (CRISIL) on the basis of CRISIL Bond Valuer.

g. Unrealised gains due to change in the fair value of the investments is taken to a fair value change account and is adjusted in the carrying value of investment. The unrealised loss due to change in the fair value of investments, other than due to reversal of the gains recognised in fair value change account, is recognised in the profit and loss account. The gain or loss on sale of investments includes the accumulated changes in the fair value change account.

h. Real estate investment property represents building held for investment purpose to earn rental income or for capital appreciation and is not occupied. Such investment property is initially valued at cost including any direct attributable cost. Investment in the real estate investment property is valued at historical cost plus revaluation, if any. Revaluation of the investment property is done at least once in three years. Any change in the carrying amount of the investment property is accounted to revaluation reserve forming part of "Reserves and Surplus". Impairment loss, if any, exceeding revaluation reserve is recognised as expense in the profit and loss account

Unlisted units of Real Estate Investment Trusts (REIT) awaiting listing are stated at historical cost subject to provision for diminution, if any. Investment in units of REIT are valued at market value (last quoted price should not be later than 30 days). Where market quote is not available for the last 30 days, the units shall be valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

i. Certain guaranteed products offered by the Life Insurance subsidiary assure the policy holders a fixed rate of return for premiums to be received in the future and the Life Insurance subsidiary is exposed to interest rate risk on account of re-investment of interest & principal maturities at future date & guarantee risk on premiums from already written policies. The Life Insurance subsidiary is following hedge accounting for all derivative transactions.

For derivatives which are designated as a cash flow hedge in a hedging relationship, hedge effectiveness is ascertained at the time of inception of the hedge and periodically.

- The portion of fair value gain / loss on interest rate derivative that is determined to be an effective hedge is recognized directly in policyholders' funds.
- The ineffective portion of the change in fair value of such instruments is recognized in profit and loss account in the period in which they arise.
- If the hedging relationship ceases to be effective or it becomes probable that the expected forecasted transaction will no longer occur, hedge accounting is discontinued and the cumulative gains or losses that were recognized earlier in balance sheet shall be reclassified to the profit and loss account in the same period or periods during which the hedged forecasted cash flows affect the profit and loss account.

Recognition of Derivatives in Balance Sheet

- Initial Recognition: All derivatives are initially recognized in the Balance sheet at their fair value, which usually represents their cost.
- Subsequent Recognition: All derivatives are subsequently re-measured at their fair value, with change in fair value is recognized as per hedge accounting principles. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

j. All assets where the interest and/or instalment of principal repayment remain overdue for more than 90 days at the balance sheet date are classified as NPA and provided for in the manner required by the IRDAI regulations in this regard.

Valuation – Unit linked Business

k. All Government securities, except treasury bills, held in linked business are valued at prices obtained from CRISIL. Debt securities other than government securities are valued on the basis of CRISIL bond valuer. The discount on purchase of treasury bills, certificate of deposit, commercial papers and triparty repo is accreted over the period to maturity on an internal rate of return basis. Listed shares and Exchange Traded Funds (ETF) are valued at fair value, being the last quoted closing price on the NSE (In case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investments. Such diminution is determined separately for each individual investment. Unrealised gains and losses are recognised in the profit and loss account.

l. Mutual fund units are valued at the latest NAV of the fund in which they are invested.

m. All unlisted redeemable preference shares are considered as held to maturity and stated at historical cost.

n. Transfer of investments (other than debt securities) from Shareholders' fund to the Policyholders' fund is at book value or market price, whichever is lower. Transfer of debt securities from Shareholders' to Policyholders' fund is transacted at the lower of net amortised cost or market value. Transfers of investments between unit-linked funds are done at prevailing market price.

For General Insurance Company:

a. Investments are recorded at cost and include brokerage, transfer charges, stamps etc., and exclude pre acquisition interest, if any.

b. Debt securities and non-convertible preference shares are considered as 'HTM' and stated at historical cost adjusted for amortisation of premium or accretion of discount determined on constant yield to maturity basis over the holding / maturity period.

c. Mutual fund units are stated at their NAV as at the balance sheet date. Any unrealised gain / loss is accounted for under fair value change account and is included in the carrying value of investment. In case of any net mark to market loss, the additional provision to the extent of the loss in fair value change account on the balance sheet date is recognised in profit and loss account.

d. Gain / loss on transfer or sale of securities is the difference between the transfer or sale price and the net amortised cost / carrying value which is computed on a Weighted average cost basis as on the date of transfer or sale. Sale consideration for the purpose of realised gain / loss is net of brokerage and taxes, if any.

e. The realised gain or loss on mutual funds is the difference between sale consideration and carrying cost as on the date of sale, determined on a weighted average cost basis. Any unrealised gain or loss in respect of mutual funds are recognised in 'fair value change account' in balance sheet and are included in the carrying value of investment.

For other entities:

Investments, other than stock-in-trade are classified into long term investments and current investments in accordance with Accounting Standard 13 (AS-13) "Accounting for Investments". Investments, which are intended to be held for more than one year from the date, on which the investments are made, are classified as long term investments and investments, which are intended to be held for less than one year from the date, on which the investments are made, are classified as current investments. Long term investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of investment, such reduction being determined and made for each investment individually.

Current investments are valued at cost (calculated by applying weighted average cost method) or market/ fair value whichever is lower. In case of investments in units of a mutual fund, the NAV of units is considered as market or fair value. The fair value of PTC is determined based on the yield to maturity for government securities as published by FIMMDA and suitably marked up for credit risk applicable to the credit rating of the instrument. The securities acquired with the intention to trade are classified as Stock-in-Trade. Investments classified as "Stock-in-Trade" by some of the subsidiaries are valued at cost (calculated by applying weighted average cost method) or market price, whichever is lower determined by the category of investments. Brokerage, stamping and additional charges paid are included in the cost of investments. The profit or loss on sale of investments (including Stock-in-trade) is recognised on trade date in the profit and loss account.

NBFCs provides for investments in Alternate Investments Funds (AIF) in accordance with RBI circular dated 19th December, 2023 and 27th March 2024.

G. Foreign Currency and Derivative Transactions

For the Bank:

i. Foreign currency monetary assets and liabilities are translated as at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gain or loss is accounted in the profit and loss account.

ii. Income and expenditure items are translated at the rates of exchange prevailing on the date of the transaction except for representative office (which are integral in nature) expenses, which are translated at the monthly average rate of exchange.

iii. 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 profits or losses on the forward contracts are discounted using discount rates and the resulting profits or losses are recognised in the profit and loss account as per the regulations stipulated by the RBI.

iv. 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.

v. 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.

vi. 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 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.

vii. 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.

viii. The financial statements of IBU and DIFC branch 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 year and (b) All assets and liabilities are translated at closing rate as at 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".

For other entities:

ix. On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount exchange rate between the reporting currency and the foreign currency at the date of the transaction.

x. Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate of exchange as at the balance sheet date.

xi. Exchange differences arising on settlement of the transaction and on account of restatement of monetary assets and liabilities are recognised in the profit and loss account. In case of items which are covered by forward exchange contracts entered to hedge the foreign currency risk, the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference in the profit and loss account and the premium paid or received on forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss on cancellation or renewal of such a forward exchange contract is recognised in the profit and loss account.

xii. The financial statements of all subsidiaries incorporated outside India which are in the nature of non-integral foreign operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the year and (b) All assets and liabilities are translated at the closing rate as at the 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".

On the disposal / partial disposal of a non-integral foreign operation, the cumulative / proportionate amount of the exchange differences which has been accumulated in the foreign currency translation reserve and which relates to that operation are recognised as income or expenses in the same period in which gain or loss on disposal is recognised.

Currency / Interest rate derivatives / Equity index / equity futures, equity index / equity options, embedded derivatives / other derivatives (Not designated as hedges):

xiii. Outstanding derivative contracts, including embedded derivatives, are measured at fair value as at each balance sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

xiv. Initial Margin - Derivative Instrument representing the initial margin paid and / or additional margin paid over and above the initial margin, for entering into contracts for equity index / stock futures and equity index / stock options / other derivatives, which are released on final settlement / squaring-up of the underlying contracts, are disclosed under Other Assets. "Deposit for Marked to Market Margin - Derivative Instrument" representing the deposit paid in respect of marked to market margin is disclosed under other assets.

xv. On final settlement or squaring up of contracts for equity index / stock futures / other derivatives, the realised profit or loss after adjusting the unrealised loss already accounted, if any, is recognised in the profit and loss account and shown as profit on exchange transactions (net) (including derivatives).

xvi. On settlement or squaring up of equity index / stock options / other derivatives before expiry, the premium prevailing in option contracts on that date is recognised in the profit and loss account.

xvii. When more than one contract in respect of the relevant series of equity index / stock futures or equity index / stock options / other derivatives contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit or loss on squaring-up.

H. Advances

Classification:

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

ii. Amounts paid for acquiring non-performing assets from other Banks and NBFCs are considered as advances. Actual collections received on such non-performing assets are compared with the cash flows estimated while purchasing the asset to ascertain over dues. If such over dues are in excess of 90 days, the Group classifies such assets into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing assets.

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

For Bank and NBFC subsidiaries- Provisioning:

iv. Provision for non-performing assets comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines. In addition, the Bank and its NBFC subsidiaries consider accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provisions in respect of non-performing advances are charged to the profit and loss account. Any recoveries made in case of NPAs written off are recognised in the profit and loss account.

v. The Bank and its NBFC subsidiaries consider a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that they would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of installments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made.

In accordance with the RBI guidelines, the Bank and its NBFC subsidiaries create general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts, and gold at levels stipulated by the RBI from time to time. The Bank also creates additional standard asset provision for overseas step down subsidiaries of Indian corporates and standard provision at higher than the prescribed rates in respect of advances to stressed sectors as per the framework approved by Board of Directors. In case of frauds, the Bank and its NBFC subsidiaries makes provision for amounts it is liable for in accordance with the guidelines issued by the RBI.

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

vii. Provisions for Unhedged Foreign Currency Exposure of borrowers are made by the Bank as per the RBI guidelines.

viii. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020, 17th April, 2020 and 23rd May, 2020 and clarification issued by the RBI through Indian Bankers Association dated 6th May, 2020, the Bank and its NBFC subsidiaries have granted a moratorium on the payment of instalments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. In accordance with the RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank and its NBFC subsidiaries from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. A general provision on the entire amount outstanding from borrowers who had an overdue on 29th February, 2020 and to whom moratorium was given is made by Bank and its NBFC subsidiaries. In accordance with the said guidelines, such accounts where moratorium has been granted are not considered as restructured.

ix. In respect of borrowers restructured under the Resolution Framework – 1.0 and Resolution Framework 2.0 for COVID-19 related stress, the Bank and its NBFC subsidiaries holds provisions higher than the provisions as required by the RBI guidelines.The Bank classifies its advances, investments and overdues from crystallised derivatives including those at overseas branches into performing and non performing in accordance with guidelines issued by the RBI

For other entities:

x. Receivables / Sundry Debtors (included in Schedule 11-Other assets) are stated at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

I. Structured Liabilities

The Group has issued structured liabilities wherein the return on these liabilities is linked to non-interest benchmarks. Such structured liabilities have an embedded derivative which is the non-interest related return component. The embedded derivative is separated from the host contract and accounted separately {Refer Note 2 (G)(xiii)}.

The resultant debt component of such structured liabilities is recognised in the balance sheet under borrowings and is measured at amortised cost on a yield to maturity basis.

J. Liability For Policies

i Provision is made for policy liabilities in respect of all "in force" policies and "lapsed policies" that are likely to be revived in future based on actuarial valuation done by the appointed actuary in accordance with generally accepted actuarial practices, requirements of IRDAI and the Institute of Actuaries of India.

ii Liabilities in respect of funds arising from discontinued policies are shown as 'Policyholders' Funds'.

iii Linked liabilities comprise of unit liability representing fund value of policies and are shown as 'Policyholders' Funds'.

K. Actuarial Method – Life Insurance

i Actuarial method and assumptions: The actuarial liabilities have been calculated by the appointed actuary in accordance with generally accepted actuarial principles, the requirements of the Insurance Act 1938 as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 and the regulations framed thereunder, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016, and other relevant regulations, orders / directions issued by IRDAI in this regard and the prescribed guidance notes issued by the Institute of Actuaries of India. In respect of unit linked policies, a unit reserve equal to the value of units as at the balance sheet date and an additional non-unit reserve calculated on gross premium prospective valuation method is created. The method adopted for par policies (accumulation contracts) is the value of the accumulated fund and an additional non-unit reserve calculated on gross premium prospective valuation method. In respect of individual conventional business / Group business where premiums are guaranteed for more than one year, gross premium prospective method is used. Additional reserve on lapsed unit-linked policies is created and shown as 'Policyholders' Funds'.

ii The assumptions used in the gross premium valuation are based on best estimates together with appropriate margins for adverse deviations from experience. The principal assumptions are interest, inflation, return to policyholders' accounts, lapses, expenses, mortality and morbidity.

iii Reserves for group life one year renewable policies are calculated as the risk premium for the unexpired term with an allowance for expenses and a margin for adverse deviations. The actuarial liability for Group fund based is equal to account value as at valuation date plus a non-unit reserve to provide for expenses and mortality benefits.

iv Reserve for freelook cancellation is held to meet any premium refunds from policy freelook cancellations. The reserve held is equal to assumed probability of freelook cancellations.

v The Life Insurance subsidiary reinsures mortality with an optimum level of retention on guaranteed premiums bases, with financially strong reinsurers. They also carry out resilience test on balance sheet and its impact on solvency margin.

L. Reserve for Unexpired Risk – General Insurance

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Group under contractual obligations over a contract period basis or period of risk, whichever is applicable. As per circular vide IRDA/F&A/CIR/CPM/056/03/2016 dated 4th April, 2016 such reserves are calculated on a pro-rata basis under 1/365 basis subject to 100% for marine hull business, on all unexpired policies at balance sheet date.

M. Discounted Instruments

The liability is recognised at face value at the time of issuance of discounted instruments, less unexpired discount. The discount on the issue is amortised over the tenure of the instrument.

N. Acquisition Costs of Insurance Contracts

Acquisition costs such as commission and medical fees are costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. Such costs are recognised in the year in which they are incurred.

O. Securities Lending and Borrowing

The broking subsidiary enters into security lending and borrowing transaction which is accounted as below:

a. Initial margin and / or additional margin paid over and above the initial margin, for entering into contracts for equity shares which are released on final settlement / squaring – up of the underlying contracts, are disclosed under other assets.

b. On final settlement or squaring up of contracts for equity shares the realised profit or loss after adjusting the unrealised profit or loss already accounted, if any, is recognised in the profit and loss account.

P. 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.

Q. 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 India in respect of taxable income for the year in accordance with the Income Tax Act, 1961 enacted in India. Tax expenses relating to overseas subsidiaries are determined in accordance with the tax laws applicable in countries where such subsidiaries are domiciled.

Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

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

Deferred tax assets 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. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

Deferred tax assets and deferred tax liabilities are off set when there is legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws. Deferred tax assets and deferred tax liabilities across various entities are not set off against each other as the Group does not have a legal right to do so.

R. Segment Reporting

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

Segment	Principal activity
Corporate / Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included in Retail Banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated 7th April, 2022.
Other Retail Banking	Includes (other than covered under Digital Banking above): **1. 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". **2. Branch Banking** Retail borrowings covering savings, current and term deposit accounts and Branch Banking network and services including distribution of financial products. **3. Credit Cards** Receivables / loans relating to credit card business.
Treasury, BMU and Corporate centre	Money market, forex market, derivatives and 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.
Vehicle Financing	Retail vehicle finance and wholesale trade finance to auto dealers from its Subsidiary Company.
Other Lending Activities	Securitisation and other loans / services not included under Retail Banking and Corporate / Wholesale Banking from its Subsidiary Companies.
Broking	Brokerage income on market transactions done on behalf of clients, interest on delayed payments, distribution of financial products from its Subsidiary Company.
Advisory and Transactional Services	Providing financial advisory and transactional services such as mergers and acquisition advice, equity / debt issue management services and Business Correspondent services from its Subsidiary Companies.
Asset Management	Management of funds and investments on behalf of clients and investment distribution (Cherry) from its Subsidiary Companies.
Insurance	Life and General Insurance business of its Subsidiary Companies.

A transfer pricing mechanism between segments has been established by Asset Liability Committee (ALCO) for allocation of interest cost to its 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 revenue as stated above. Segment expenses consist of interest expenses including those allocated, operating expenses and provisions.

Segment results are net of segment revenue 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, minority interest and employees' stock option (grants outstanding).

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

S. Employee Share Based Payments

Equity-settled:

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

RBI, vide its clarification dated 30th 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 31st 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 31st March, 2021. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

In accordance with the RBI guidance, for all options granted after 31st March, 2021 the fair value of the option is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

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

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

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

Cash-settled:

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31st 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 31st 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.

T. Claims / Benefits

In respect of Life Insurance subsidiary, benefits paid comprise of policy death benefit, maturity, surrenders, survival benefits, discontinuance and other policy related claims and change in the outstanding provision for claims at the year end. Claims by death and surrender are accounted when intimated. Survival benefits are accounted when due. Maturity claims are accounted on the date of maturity. Amounts recoverable from reinsurers are accounted for in the same period as the related claim. Repudiated claims disputed before judicial authorities are provided for, based on the best judgement of the management considering the facts and evidence in respect of each such claim. Withdrawals under unit-linked policies are accounted in respective schemes when the associated units are cancelled. Death claim benefit includes specific claim settlement costs wherever applicable.

In respect of General Insurance subsidiary, claims incurred includes claims paid net of reinsurance recovery and salvage value retained by the insured, change in loss reserve during the period, change in claims incurred but not reported (IBNR) & change in claims incurred but not enough reported (IBNER). Claims incurred also include survey fees, legal fees and other expenses directly attributable to claim cost. Claims are recognised as and when intimation of it is received and provision is determined (net of reinsurance recovery) by the management on the best estimate of claims likely to be paid based on survey reports, based on information received from various sources and from past experience.

Any subsequent information may result in revision of likely amount of final claim payment and accordingly provision for outstanding claims gets restated.

Estimated liability for IBNR and IBNER has been estimated by the appointed actuary in compliance with the relevant regulations and guidelines issued by IRDAI and the same is duly certified by the appointed actuary.

U. Loss on Sale of Advances to Asset Reconstruction Company

Loss on sale of Advances sold to Asset Reconstruction Company is recognised immediately in the profit and loss account.

V. Securitisation

The Group enters into purchase / sale of corporate and retail loans through direct assignment / Special Purpose Vehicles (SPVs). In most cases, post securitisation, the Group continues to service the loans transferred to the SPV. The Group also provides credit enhancement in the form of cash collaterals and / or by subordination of cash flows to senior PTCs holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Group, appropriate provision / disclosure is made at the time of sale in accordance with Accounting Standard 29, (AS-29) "Provisions, Contingent Liabilities and Contingent Assets".

In accordance with the RBI guidelines on Securitisation of Standard Assets dated 24th 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.

W. Leases

As Lessee:

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.

As Lessor:

Leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases and included in fixed assets. Lease income is recognised 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.

In respect of leases of tangible assets where the Group has substantially transferred all the risks and rewards incidental to legal ownership, such leases are classified as finance leases. Such assets are recognised as a receivable at an amount equal to the net investment in the lease. The lease payment is apportioned between finance income and the repayment of principle i.e. the net investment in the lease.

X. Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Group 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 Group 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 Group 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.

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.

Y. Scheme Expenses

New fund offer expenses and other expenses not chargeable to schemes, in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India (AMFI) are borne by the Asset management company of the Group. Brokerage paid for close ended schemes before 22nd October, 2018 circular issued by SEBI in relation to upfront brokerage are amortised by the Asset Management Company of the Group over the tenor of each scheme on a straight line basis.

Z. Contribution to Pool-For General Insurance Subsidiary

Terrorism Risk Insurance Pool

In accordance with the requirements of IRDAI, the General Insurance subsidiary, together with other insurance companies, participated in the Terrorism Pool. This Pool is managed by General Insurance Corporation of India (GIC). In accordance with the terms of the agreement, GIC retro cedes, to the Group, terrorism premium to the extent of shares agreed to be borne by the Group in the risk which is recorded as reinsurance accepted. Such Insurance accepted is recorded based on quarterly confirmation received from GIC. Reinsurance accepted on account of Terrorism Pool is recorded based on statement received from GIC.

The entire amount of reinsurance accepted for the current year on this account, net of claims and expenses up to the above date, is carried forward to the subsequent accounting period as changes in unearned premium for subsequent risks, if any, to be borne by the Group.

Marine Cargo for Excluded Territories POOL (MCET Pool)

With the need for covering loss against shipment of fertilizers and other commodities, while under transit in marine cargo against Russia, Ukraine, Belarus (referred as 'excluded territories), the Company together with other insurance company, participated in Marine Cargo Pool for Excluded Territories (referred as MCET Pool) which is managed by General Insurance Corporation of India (GIC Re). In accordance with the terms of the agreement, the Company accepts retrocession risk as per shares specified in the Schedule of agreement, which is recorded as reinsurance accepted. Such Insurance accepted is recorded based on quarterly confirmation received from GIC Re. Accordingly, reinsurance accepted on account of MCET Pool has been recorded in accordance with the latest statement received from GIC Re.

The entire amount of reinsurance accepted for the current year on this account has been carried forward to the subsequent accounting period as Changes in unearned premium under Insurance Contract Liabilities for subsequent risks, if any, to be borne by the company.

AA. Contribution to Solatium Fund

As per the requirements of IRDAI, the General Insurance subsidiary provides for contribution to solatium fund at 0.10% on the gross direct premium of motor third party policies.

AB. Share Issue Expenses

Share issue expenses are adjusted from securities premium account as permitted by section 52 of the Companies Act, 2013.

AC. 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 and stock 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.

AD. Impairment

The carrying amount 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 recognised in the profit and loss account to the extent carrying amount of assets exceeds their estimated recoverable amount.

AE. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise Cash in hand, Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

NOTES TO ACCOUNTS

3. EMPLOYEE BENEFITS

a. The Group has recognised the following amounts in the profit and loss account towards contributions to provident fund and other funds.

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Provident Fund	402.19	336.37
Superannuation Fund	1.38	1.35
New Pension Fund	18.13	14.75
DIFC Employee Workplace Savings Scheme (DEWS)	0.70	0.72

b. Gratuity[1]

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

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

(₹ in crore)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Funded	Unfunded	Funded	Unfunded
Change in benefit obligations				
Liability as at the beginning of the year	656.04	11.71	641.34	10.36
Transfer from Unfunded to Funded	-	-	-	-
Current Service cost	112.97	2.20	98.04	1.99
Interest cost	50.45	0.91	45.23	0.77
Actuarial (gain) / loss on obligations	24.82	0.98	(11.19)	0.50
Past Service cost	5.87	-	-	-
Addition due to acquisition	14.43	-	-	-
Liabilities assumed on acquisition / (settled on divestiture)	0.24	(0.30)	0.68	(0.58)
Benefits paid	(116.51)	(1.54)	(118.06)	(1.33)
Liability as at the end of the year	**748.31**	**13.96**	**656.04**	**11.71**
Change in plan assets				
Fair value of plan assets as at the beginning of the year	630.59	-	704.79	-
Expected return on plan assets	41.23	-	47.60	-
Actuarial Gain / (loss)	77.83	-	(47.94)	-
Addition due to amalgamation	12.94	-	-	-
Benefits paid	(116.51)	(1.54)	(118.06)	(1.33)
Employer contributions	159.75	1.54	44.20	1.33
Fair value of plan assets as at the end of the year	**805.83**	**-**	**630.59**	**-**

[1] *GRI 201-3*

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

(₹ in crore)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Funded	Unfunded	Funded	Unfunded
Fair value of plan assets as at the end of the year	805.83	-	630.59	-
Liability as at the end of the year	748.31	13.96	656.04	11.71
Net Asset / (Liability) included in "Others" under "Other Assets"/ "Other Liabilities"	**57.52**	**(13.96)**	**(25.45)**	**(11.71)**
Expenses recognised for the year				
Current service cost	112.97	2.20	98.04	1.99
Interest cost	50.45	0.91	45.23	0.77
Expected return on plan assets	(41.23)	-	(47.60)	-
Actuarial (gain) / loss	(53.01)	0.98	36.75	0.50
Past Service Cost	5.87	-	-	-
Effect of the limit in Para 59(b)	-	-	-	-
Net gratuity expense recognised in Schedule 16.I	**75.05**	**4.09**	**132.42**	**3.26**
Actual return on plan assets	**119.06**	**-**	**(0.33)**	**-**

Reconciliation of the Liability recognised in the Balance Sheet

(₹ in crore)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Funded	Unfunded	Funded	Unfunded
Net (Asset) / Liability as at the beginning of the year	25.45	11.71	(63.45)	10.36
Transfer from Unfunded to Funded	1.49	-	-	-
Expense recognized	75.05	4.09	132.42	3.26
Liabilities assumed on acquisition / (settled on divestiture)	0.24	(0.30)	0.68	(0.58)
Employer contributions	(159.75)	(1.54)	(44.20)	(1.33)
Effect of the limit in Para 59(b)	-	-	-	-
Net (Asset) / Liability included in "Others" under "Other Assets" or "Other Liabilities"	**(57.52)**	**13.96**	**25.45**	**11.71**

Investment details of plan assets

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

Particulars	As at 31st March, 2024 %	As at 31st March, 2023 %
Equity shares	51.55	12.15
Government securities	26.92	49.59
Bonds, debentures and other fixed income instruments	14.48	22.80
LIC managed funds#	1.87	0.24
Money market instruments and other assets	5.18	15.22
Total	**100.00**	**100.00**

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 of the fair value of plan assets has not been disclosed.

Actuarial assumptions used

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.15% to 7.18% p.a.	7.25% to 7.39% p.a.
Salary escalation rate	5.50% p.a. – (IBA) 7.00% to 9.00% p.a. – (Others)	5.50% p.a. (IBA) 7.00% to 8.00% p.a. (Others)
Expected rate of return on plan assets	7.00% to 7.50 % p.a.	7.00% to 7.25 % p.a.

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

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

Experience adjustments

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

(₹ in crore)

Gratuity	Year ended 31st March,				
	2024	2023	2022	2021	2020
Defined benefit obligation	762.27	667.77	651.68	618.14	559.07
Plan assets	805.83	630.61	704.80	666.73	498.16
Surplus / (deficit)	43.56	(37.16)	53.12	48.59	(60.91)
Experience adjustments on plan liabilities	19.61	8.68	28.32	12.38	42.40
Experience adjustments on plan assets	77.64	(47.93)	38.56	65.23	(43.65)

The Group expects to contribute ₹ 69.09 crore to gratuity fund in financial year 2024-25.

The above information is as certified by the actuaries of the respective companies and relied upon by the auditors.

c. Pension

Pension liability relates to employees of eIVBL.

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

(₹ in crore)

Particulars	As at 31st March, 2024 Funded	As at 31st March, 2023 Funded
Change in benefit obligations		
Liability as at the beginning of the year	1,912.65	1,909.31
Current Service cost	74.28	63.16
Interest cost	135.35	134.05
Actuarial (gain) / loss on obligations	171.29	40.66
Past Service cost	-	-
Benefits paid	(181.90)	(234.53)
Liability as at the end of the year	**2,111.67**	**1,912.65**
Change in plan assets		
Fair value of plan assets as 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**

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

(₹ in crore)

Particulars	As at 31st March, 2024 Funded	As at 31st March, 2023 Funded
Fair value of plan assets as at the end of the year	1,879.31	1,873.26
Liability as at the end of the year	2,111.67	1,912.65
Net Asset/ (Liability) included in "Others" under "Other Assets" or "Other Liabilities"	**(232.36)**	**(39.39)**
Expenses recognised for the year		
Current service cost	74.28	63.16
Interest cost	135.35	134.05
Expected return on plan assets	(126.45)	(133.47)
Actuarial (gain) / loss	157.92	29.39
Effect of the limit in Para 59(b)	-	-
Net pension expense recognized in Schedule 16.I	241.10	93.13
Actual return on plan assets	**139.81**	**144.74**

Reconciliation of the Liability recognised in the Balance Sheet

(₹ in crore)

Particulars	As at 31st March, 2024 Funded	As at 31st March, 2023 Funded
Net (Asset) / Liability as 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" or "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 31st March, 2024	As at 31st 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 increase, 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 and previous years are as follows:

(₹ in crore)

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

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

d. Compensated absences

The actuarially determined liability for compensated absences (accumulated leave) of the employees of the Group is given below:

(₹ in crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total actuarial liability	184.57	149.38
Assumptions:		
Discount rate	7.15% to 7.18% p.a.	7.25% to 7.39% p.a.
Salary escalation rate	5.50% p.a. (IBA) 7.00% to 9% p.a. (Others)	5.50% p.a. (IBA) 7.00% to 8% p.a. (Others)

e. Long Service Award

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

(₹ in crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total actuarial liability	13.56	13.71
Assumptions:		
Discount rate	7.15% to 7.19%	7.30% p.a.

4. DEPOSIT UNDER LIEN

Balance with Banks in other deposit accounts include ₹ 9,460.81 crore (previous year ₹ 6,480.75 crore) which are under lien.

5. SECURITIES PLEDGED AND ENCUMBERED

(a) Investments include Government Securities with face value of ₹ 4,327.45 crore (previous year ₹ 8,447.61 crore) pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with the RBI for liquidity adjustment facility (LAF).

(b) Investments pledged with National Securities Clearing Corporation Limited towards exposure in derivatives segment as at 31st March, 2024 ₹ 560.17 crore (previous year ₹ 319.85 crore).

(c) Investments pledged with Clearing Corporation of India Limited and Stock Exchange towards margin requirements as at 31st March, 2024 ₹ 328.26 crore (previous year ₹ 306.04 crore).

6. "Others" in Other Liabilities and Provisions (Schedule 5) include the following items of provisions in respect of contingencies and other provisions, which have been recognised in the accounts in respect of obligations arising from past event, the settlement of which is expected to result in an outflow embodying economic benefits.

a) Provision for Credit Card and Debit Card Reward Points

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

(₹ in crore)

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

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

b) Legal:

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Opening Provision	43.01	43.78
Add: Addition during the year	0.56	2.27
Less: Reduction during the year	(6.98)	(3.04)
Closing Provision	**36.59**	**43.01**

c) Fraud and Other Provisions:

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Opening Provision	39.04	45.11
Add: Addition during the year	27.74	4.78
Less: Reduction during the year	(19.82)	(10.85)
Closing Provision	**46.96**	**39.04**

7. A. PROVISIONS AND CONTINGENCIES:

Breakup of "Provisions and Contingencies" shown under the head Expenditure in Profit and Loss Account:

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Provision for Taxation (Refer Note 8 below)	5,886.55	4,865.74
Provision for Non-performing Assets (including write-offs and net of recoveries)	1,691.65	508.45
Provision for Standard Assets	247.90	185.84
General Provision – COVID-19 Deferment Cases*	(126.29)	(170.98)
Provision for Unhedged Foreign Currency Exposure	10.71	(11.09)
Provision for Diminution in value of Investments#$	74.23	(18.15)
Provision for country risk exposure	-	(4.79)
Other Provision and Contingencies	74.27	(49.60)
Total	**7,859.02**	**5,305.42**

* *Provision/ (write-back) in respect of borrowers for which moratorium is granted by the Bank (₹ 124.90) crore (previous year ₹ 159.55 crore) and its NBFC subsidiaries (₹ 1.39) crore (previous year ₹ 11.43 crore) in accordance with RBI guidelines.*

\# *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.*

B. The Bank and its subsidiaries held an aggregate COVID-19 related provision of ₹ 389.62 crore as of 31st March, 2023. Based on the improved outlook and on actual collections, the Bank and its subsidiaries have reversed provisions amounting to ₹ 126.29 crore during the year ended 31st March, 2024 and continue to hold provisions aggregating to ₹ 263.33 crore as at 31st March, 2024.

8. PROVISION MADE FOR TAXES DURING THE YEAR:

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Current tax	5,885.31	4,842.98
Deferred tax	1.24	22.76
Total	**5,886.55**	**4,865.74**

9. DESCRIPTION OF CONTINGENT LIABILITIES:

Sr. No.	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 Group. The Group is a party to various legal proceedings in the normal course of business. The Group does not expect the outcome of these proceedings to have a material adverse effect on the Group'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 Group 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 Group.
2.	Liability on account of outstanding forward exchange contracts	The Group 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 in and outside India	Primarily as part of its banking activities, the Group issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Group will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	These include: ● Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Group ● Bills re-discounted by the Group and cash collateral provided by the Group on assets which have been securitised. ● Underwriting commitments in respect of Debt Syndication
5.	Other items for which the Group is contingently liable	These include: ● Liabilities in respect of interest rate swaps, currency swaps, forward rate agreements, futures, options and other derivative 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 Liabilities*

10. EARNINGS PER EQUITY SHARE:

Particulars	Year Ended	
	31st March, 2024	31st 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 (₹)	91.45	74.96
Effect of potential equity shares for stock options (₹)	0.00	0.02
Diluted earnings per share (₹)	91.45	74.94
Profit for the year after tax (₹ in crore)	18,213.21	14,925.01
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)	18,174.70	14,884.51

11. EMPLOYEE SHARE BASED PAYMENTS:

The shareholders of the Bank had passed Special Resolutions 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 and Kotak Mahindra Equity Option Scheme 2023 have been formulated and adopted, respectively. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22nd December 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

Equity-settled options

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

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

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

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

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

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

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

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

31st March, 2024

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

31st March, 2023

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

Stock appreciation rights (SARs)

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.

The Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1st December 2023 in place of SARs Scheme 2015. SARs Scheme 2015 is operational only to the extent of treatment of SARs granted till 30th November 2023.

The SARs are settled in cash and vest on the respective due dates in a graded manner as per the terms and conditions of grant. The contractual life of the SARs outstanding range from 1.00 to 5.10 years.

Detail of activity under SARs is summarised below:

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Outstanding at the beginning of the year	**2,540,038**	**1,713,218**
Granted during the year	1,849,441	1,637,601
Settled during the year	945,470	697,273
Forfeited during the year	267,336	113,508
Outstanding at the end of the year	**3,176,673**	**2,540,038**

Fair value of Employee stock options

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

Particulars	Year ended 31st March,			
	2024		2023	
	Equity-settled	Cash-settled	Equity-settled	Cash-settled
Exercise Price ₹	1,823-1,939	0-1,939	1,798-1,900	0-1,828
Weighted Average Share Price ₹	1,927.50	1,828.97	1,782.25	1,717.45
Expected Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Historical Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Life of the options granted (Vesting and exercise period)				
- At the grant date	1.25-4.42		1.25-4.31	
- As at 31st March		0.02-3.84		0.00-4.21
Risk-free interest rate	7.01%-7.26%	6.89%-7.19%	5.75%-7.77%	6.77%-7.32%
Expected dividend rate	0.08%	0.08%-0.09%	0.06%	0.06%

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

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

(₹ in crore)

Particulars	Year ended 31st March,	
	2024	2023
Total Employee compensation cost pertaining to share-based payment plans	265.22	201.01
Compensation cost pertaining to equity-settled employee share-based payment plan included above	44.95	45.64
Liability for employee stock options outstanding as at year end	140.44	121.78
Deferred Compensation Cost	61.15	61.48
Closing balance of liability for cash-settled options	264.13	196.93
Expense arising from increase in intrinsic value of liability for cash stock appreciation plan	141.85	69.87

Had the Group recorded the compensation cost for all share-linked instruments granted on or before 31 March 2021 on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹ 2.89 crore (Previous year ₹ 12.93 crore) and the profit after tax would have been lower by ₹ 2.22 crore (Previous year ₹ 9.75 crore). Consequently the basic and diluted EPS would have been ₹ 91.44 (Previous year ₹ 74.91) and ₹ 91.43 (Previous year ₹ 74.89) respectively.

12. TIER II BONDS

Lower Tier II Bonds outstanding as at 31st March, 2024 ₹ 20 crore (previous year ₹ 20.00 crore).

13. Interest Expended - Others (Schedule 15.III) includes interest on subordinated debt (Lower and Upper Tier II) ₹ 1.67 crore for the year ended 31st March, 2024 (previous year ₹ 24.95 crore).

14. SEGMENT REPORTING

The summary of the operating segments of the Group for the year ended 31st March, 2024 are as given below:

(₹ in crore)

31st March,	2024	2023
Segment Revenues:		
Treasury, BMU and Corporate Centre	10,956.31	7,437.57
Retail Banking	27,831.08	19,179.15
Corporate / Wholesale Banking	22,788.95	18,130.83
Vehicle Financing	3,415.80	2,607.39
Other Lending Activities	1,918.48	1,342.09
Broking	3,213.90	2,454.01
Advisory and Transactional Services	1,371.46	862.19
Asset Management	1,941.89	1,660.07
Insurance	28,110.08	19,009.59
Sub-total	**101,547.95**	**72,682.89**
Add: Unallocated Income	-	-
Less: inter-segment revenues	(7,274.04)	(4,540.86)
Total Income	**94,273.91**	**68,142.03**
Segment Results:		
Treasury, BMU and Corporate Centre	5,505.43	4,331.00
Retail Banking	5,732.75	3,411.69
Corporate / Wholesale Banking	7,473.79	7,072.95
Vehicle Financing	706.11	724.58
Other Lending Activities	649.14	539.76
Broking	1,129.11	815.42
Advisory and Transactional Services	729.89	546.54
Asset Management	984.84	858.82
Insurance	952.32	1,345.42
Sub-total	**23,863.38**	**19,646.18**
Add: Unallocated Income / (Expense)	-	-
Total Profit before tax, minority interest and associates	**23,863.38**	**19,646.18**
Less: Provision for tax	(5,886.55)	(4,865.74)
Net Profit before share of Associates and Minority	**18,213.21**	**14,780.44**
Segment Assets:		
Treasury, BMU and Corporate Centre	187,565.09	138,500.51
Retail Banking	384,257.91	310,374.20
Corporate / Wholesale Banking	239,539.02	223,845.52
Vehicle Financing	28,262.24	24,085.06
Other Lending Activities	23,779.45	18,523.54
Broking	17,562.29	10,491.70
Advisory and Transactional Services	1,169.06	677.08
Asset Management	6,442.32	5,669.64
Insurance	85,062.53	68,182.65
Sub-total	**973,639.91**	**800,349.90**
Less: inter-segment assets	(207,816.22)	(181,445.79)
Total	**765,823.69**	**618,904.11**
Add: Unallocated Assets	1,843.27	1,525.62
Total Assets as per Balance Sheet	**767,666.96**	**620,429.73**

(₹ in crore)

31st March,	2024	2023
Segment Liabilities:		
Treasury, BMU and Corporate Centre	139,213.04	96,606.02
Retail Banking	353,357.46	287,429.54
Corporate / Wholesale Banking	218,547.17	202,922.48
Vehicle Financing	21,800.15	16,297.81
Other Lending Activities	16,755.39	13,641.89
Broking	15,618.60	8,851.84
Advisory and Transactional Services	294.45	134.31
Asset Management	1,115.25	890.38
Insurance	77,931.56	61,941.05
Sub-total	**844,633.07**	**688,715.32**
Less: inter-segment liabilities	(207,816.22)	(181,445.79)
Total	**636,816.85**	**507,269.53**
Add: Unallocated liabilities	957.71	906.11
Add: Share Capital, Reserves and Surplus and Minority Interest	129,892.40	112,254.09
Total Capital and Liabilities as per Balance Sheet	**767,666.96**	**620,429.73**
Capital Expenditure:		
Treasury, BMU and Corporate Centre	187.35	122.68
Retail Banking	630.10	562.99
Corporate / Wholesale Banking	57.75	65.17
Vehicle Financing	16.68	16.85
Other Lending Activities	1.09	0.66
Broking	53.56	60.98
Advisory and Transactional Services	20.63	15.54
Asset Management	22.82	34.80
Insurance	128.02	86.57
Total	**1,118.00**	**966.24**
Depreciation / Amortisation:		
Treasury, BMU and Corporate Centre	119.23	90.96
Retail Banking	448.99	337.81
Corporate / Wholesale Banking	47.55	33.81
Vehicle Financing	11.70	8.68
Other Lending Activities	0.88	2.09
Broking	55.63	45.20
Advisory and Transactional Services	11.30	4.37
Asset Management	22.22	17.32
Insurance	74.25	59.05
Total	**791.75**	**599.29**

Segment information is provided as per the management information system available for internal reporting purposes, which includes certain estimates and assumptions.

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

For March 31, 2024:-

(₹ in crore)

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

15. ASSETS TAKEN ON LEASE

(i) The Group has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹ 765.74 crore (previous year ₹ 751.98 crore).

(ii) The future minimum lease payments under non-cancelable operating lease not later than one year is ₹ 772.48 crore (previous year ₹ 872.03 crore), later than one year but not later than five years is ₹ 2,210.07 crore (previous year ₹ 2,001.94 crore) and later than five years ₹ 954.30 crore (previous year ₹ 804.28 crore).

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

16. ASSETS GIVEN ON LEASE

Details of gross investments, unearned finance income and present value of rentals in respect of assets given under finance lease are as under:

(₹ in crore)

As at 31st March,	2024	2023
Gross Investments (A):		
(i) Not later than 1 year	85.73	62.21
(ii) Between 1-5 years	163.86	120.50
Total	**249.59**	**182.71**
Unearned Finance Income (B):		
(i) Not later than 1 year	21.95	15.89
(ii) Between 1-5 years	26.13	18.45
Total	**48.08**	**34.34**
Present Value of Rentals (A-B):		
(i) Not later than 1 year	63.77	46.32
(ii) Between 1-5 years	137.74	102.05
Total	**201.51**	**148.37**
Accumulated provision on the Gross Investments	**2.98**	**1.72**

17. In accordance with the IRDAI Financial Statements Regulations, the Life Insurance subsidiary revalues its investment property at least once in three years, the market value being the lower of valuations performed by two independent valuers. The real estate investment property is accordingly valued at ₹ 239.16 crore at 31st March, 2024 (previous year ₹ 233.34 crore). The historical cost of the property is ₹ 158.56 crore (previous year ₹ 158.56 crore). The revaluation gains have been included in policyholders' funds.

The life insurance subsidiary has entered into agreements for leasing out its real estate investment properties. These arrangement are in the nature of operating lease. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency. The lease payments recognised in profit and loss account in the current year is ₹ 16.35 crore (previous year ₹ 14.93 crore).

18. The Group enters into various types of derivative contracts such as interest rate swaps, cross currency interest rate swaps, foreign currency swaps, forwards, forward rate agreements, index / equity futures and options. The details of such derivatives for subsidiaries (other than bank) are as under:

Derivative instrument outstanding as at 31st March, 2024

As at 31st March,	2024	2023	Purpose
Particulars of Derivatives	**Quantity**	**Quantity**	
Futures			
S&P CNX Nifty Futures Short	-	-	Trading
Bank Nifty Futures Short	-	-	Trading
Stock Futures Long	1,801,455	632,075	Trading
Stock Futures Short	27,352,414	37,671,130	Trading
S&P CNX Nifty Futures Long	-	-	Trading
Options			
S&P CNX Nifty Options Long	52,700	189,300	Trading
S&P CNX Nifty Options Short	43,400	177,000	Trading
Stock option Long	160,000	-	Trading
Bank Nifty option Long	-	3,800	Trading
Bank Nifty option Short	-	3,250	Trading
Forward Exchange Contracts			
USD-INR Long	USD 500,000	USD 500,000	Hedging
USD-INR Short	USD 250,000	-	Hedging
Interest Rate Swap		-	Hedging
Total Return Swap			Trading
Forward rate agreement (₹ crore)#	10,362.16	5,953.91	Hedging

#Total outstanding notional principal amount of forward rate agreement entered by Life insurance subsidiary to hedge Interest rate risk on its liability side

Unhedged forex exposure outstanding as at the Balance Sheet date

(₹ in crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Amount Receivable in foreign currency	12.81 (USD 1,535,884) 1.44 (GBP 137,000) 0.05 (EUR 6,000) 0.16 (CAD 26,000)	11.59 (USD 1,410,562) 0.54 (GBP 53,000) 0.36 (EUR 40,000) 0.08 (SGD 13,000)
Amount Payable in foreign currency	3.26 (USD 391,000) 0.72 (SGD 116,000)	2.33 (USD 2,83,000) 0.64 (SGD 1,04,000)

19. Additional information to consolidated accounts at 31st March, 2024, (Pursuant to Schedule III of the Companies Act, 2013)

(₹ in crore)

Name of the Entity	Net Assets*				Share in Profit or Loss			
	As at 31st March, 2024		As at 31st March, 2023		For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Kotak Mahindra Bank Limited	74.40%	96,639.46	74.35%	83,459.94	75.67%	13,781.58	73.30%	10,939.30
Indian Subsidiaries:								
Kotak Mahindra Prime Limited	7.06%	9,176.48	7.40%	8,305.90	4.89%	888.06	5.55%	828.96
Kotak Securities Limited	6.38%	8,286.15	6.33%	7,107.98	6.74%	1,226.17	5.80%	865.22
Kotak Mahindra Capital Company Limited	0.91%	1,181.03	0.89%	1,000.38	1.18%	215.01	1.00%	149.28
Kotak Mahindra Life Insurance Company Limited	4.51%	5,863.23	4.75%	5,327.70	3.78%	688.62	7.06%	1,053.31
Kotak Mahindra General Insurance Company Limited	0.34%	447.12	0.30%	341.07	(0.49%)	(88.95)	(0.79%)	(117.28)
Kotak Mahindra Investments Limited	2.56%	3,329.02	2.51%	2,814.81	2.82%	514.21	2.19%	326.26
Kotak Mahindra Asset Management Company Limited	1.54%	1,995.62	1.50%	1,682.96	2.33%	424.41	3.18%	474.77
Kotak Mahindra Trustee Company Limited	0.40%	525.32	0.38%	424.55	0.55%	100.77	0.54%	79.99
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	0.67%	864.58	0.72%	805.72	0.32%	58.84	0.28%	42.27
Kotak Mahindra Trusteeship Services Limited	0.03%	35.00	0.03%	29.13	0.03%	5.87	0.02%	2.63
Kotak Infrastructure Debt Fund Limited	0.40%	519.61	0.42%	476.20	0.24%	43.40	0.19%	27.83
Kotak Mahindra Pension Fund Limited	0.04%	52.40	0.05%	52.61	0.00%	(0.21)	(0.02%)	(3.49)
IVY Product Intermediaries Limited	0.01%	6.69	0.01%	6.36	0.00%	0.33	0.00%	0.16
BSS Microfinance Limited	0.78%	1,009.85	0.56%	626.63	2.10%	383.22	1.99%	297.21
Sonata Finance Private Limited	0.30%	389.41	-	-	(0.08%)	(13.71)	-	-
Foreign Subsidiaries:								
Kotak Mahindra (International) Limited	0.77%	1,001.34	0.82%	922.93	0.35%	64.28	0.08%	12.41
Kotak Mahindra (UK) Limited	0.38%	495.19	0.40%	449.79	0.21%	38.63	0.10%	15.07
Kotak Mahindra, Inc.	0.08%	98.79	0.08%	86.33	0.06%	11.08	0.09%	13.25
Kotak Mahindra Financial Services Limited	0.00%	3.05	0.00%	3.59	0.00%	(0.59)	(0.02%)	(3.08)
Kotak Mahindra Asset Management (Singapore) Pte. Limited	0.28%	363.99	0.25%	283.85	0.41%	75.32	0.26%	38.66
Minority Interests in subsidiary	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates:								
Infina Finance Private Limited	-	-	-	-	0.70%	128.13	0.41%	60.50
Phoenix ARC Private Limited	-	-	-	-	0.60%	108.25	0.56%	84.07
Inter-company and Other adjustments	(1.84%)	(2,390.94)	(1.75%)	(1,954.34)	(2.41%)	(439.51)	(1.77%)	(262.29)
Total	**100.00%**	**1,29,892.39**	**100.00%**	**112,254.09**	**100.00%**	**18,213.21**	**100.00%**	**14,925.01**

** Total assets minus total liabilities*

20. The Group has recorded net deferred tax asset which has been included in "Others – Other Assets" (Schedule 11.VI).
The break-up of deferred tax assets and liabilities into major items is as follows:

(₹ in crore)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred Tax Assets		
Provision for non-performing and doubtful debts, general provisions and contingencies	618.41	577.65
Depreciation on assets	76.24	65.68
Provision for investments	13.37	6.65
Unamortised Income	9.78	6.93
Expenditure allowed on payment basis and others	160.81	163.75
Total Deferred Tax Assets	**878.61**	**820.66**
Deferred Tax Liabilities		
Depreciation on assets	0.86	2.15
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	244.02	212.56
Others	1.72	0.77
Total Deferred Tax Liabilities	**246.60**	**215.48**
Net Deferred Tax Assets / (Liabilities)	**632.01**	**605.17**

21. FIXED ASSETS

Fixed Assets as per Schedule 10 include intangible assets, details of which are as follows:

(₹ in crore)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
PURCHASED SOFTWARE AND SYSTEM DEVELOPMENT EXPENDITURE		
Gross Block		
At cost on 31st March of the preceding year	1,345.87	1,100.59
Additions /Transfers due to acquisition	0.84	-
Add: Additions during the year	220.09	302.81
Less: Deductions during the year	30.99	57.53
Total	**1,535.81**	**1,345.87**
Amortisation		
As at 31st March of the preceding year	959.78	837.24
Additions /Transfers due to acquisition	0.72	-
Add: Charge for the year	241.00	175.73
Less: Deductions during the year	27.49	53.19
Amortisation to date	1,174.01	959.78
Net Block	**361.80**	**386.09**
MEMBERSHIP CARDS OF STOCK EXCHANGE		
Gross Block		
At cost on 31st March of the preceding year	4.66	4.66
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Total	**4.66**	**4.66**
Amortisation		
As at 31st March of the preceding year	4.66	4.66
Add: Charge for the year	-	-
Less: Deductions during the year	-	-
Amortisation to date	4.66	4.66
Net Block	**-**	**-**
ASSET MANAGEMENT RIGHTS		
Gross Block		
At cost on 31st March of the preceding year	15.90	15.90
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Total	**15.90**	**15.90**
Amortisation		
As at 31st March of the preceding year	15.90	15.90
Add: Charge for the year	-	-
Less: Deductions during the year	-	-
Amortisation to date	15.90	15.90
Net Block	**-**	-

22. RELATED PARTY DISCLOSURES:

	Nature of relationship	Name of Related Party
A.	**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 31st March, 2024.
B.	**Other Related Parties**	
	Associates / Others	Infina Finance Private Limited Phoenix ARC Private Limited ING Vysya Foundation Kotak Karma Foundation (w.e.f. 26th June, 2023)
	Key Management Personnel (KMP)	Mr. Uday S. Kotak - Managing Director & CEO upto 1st September 2023 Non Executive Director w.e.f. 2nd September 2023 Mr. Dipak Gupta - Joint Managing Director (upto 31st December 2023) Mr. Ashok Vaswani – Managing Director and CEO (w.e.f. 1st January 2024) Mr. KVS Manian – Joint Managing Director Mr. Gaurang Shah - Whole-time Director (upto 31st October 2022) Ms. Shanti Ekambaram – Deputy Managing Director (w.e.f. 1st November 2022)
	Enterprises over which KMP / relatives of KMP have control / significant influence	Aero Agencies Private Limited (formerly known as Aero Agencies Limited) Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodity Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF KF Trust (formerly known as USK Benefit Trust II) Kotak Family Foundation Helena Realty Private Limited Doreen Realty Private Limited Renato Realty Private Limited Pine Tree Estates Private Limited Meluha Developers Private Limited Quantyco Realty Private Limited Xanadu Properties Private Limited Laburnum Adarsh Trust True North Enterprises (upto 31st October 2022) Manian Family Trust Brij Disa Arnav Trust (upto 31st December 2023) Brij Disa Parthav Trust (upto 31st December 2023) Kotak Mahindra Group Employee Welfare Trust TML Benefit Trust Brij Disa Foundation (upto 31st December 2023) Amrit Lila Enterprises Private Limited Manians Family Trust II USK Benefit Trust III Kudin Trusteeship Services Private Limited (w.e.f. 9th September 2022) Shanti Family Trust (w.e.f. 1st November 2022) Shivkaran Trust (w.e.f. 1st November 2022) USK Capital Partners (w.e.f. 2nd January 2024)

	Nature of relationship	Name of Related Party
	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. 7th November 2023) Ms. Anita Gupta (upto 31st December 2023) Ms. Urmila Gupta (upto 31st December 2023) Mr. Arnav Gupta (upto 31st December 2023) Mr. Parthav Gupta (upto 31st December 2023) Mr. Prabhat Gupta (upto 31st December 2023) Ms. Jyoti Banga (upto 31st December 2023) Ms. Seetha Krishnan Ms. Lalitha Mohan Ms. Shruti Manian Mr. Shashank Manian Mr. Ramesh Krishnan Ms. Vanathi Gopalakrishnan (w.e.f. 15th April 2022) Ms. Asha Shah (upto 31st October 2022) Ms. Divya Shah (upto 31st October 2022) Ms. Manasi Shah (upto 31st October 2022) Ms. Mahima Shah (upto 31st October 2022) Mr. Chetan Shah (upto 31st October 2022) Ms. Chetna Shah (upto 31st October 2022) Ms. G. Saraswathi (w.e.f. 1st November 2022) Ms. Shobha Srivastava (w.e.f. 1st November 2022) Veena Vaswani (w.e.f. 1st January 2024)

Details of related party transactions as at / for the year ended 31st March, 2024:

(₹ in crore)

	Items/Related Party	Associates/ others	Key Management Personnel	Enterprises over which KMP /relatives of KMP have control / significant influence	Relatives of Key Management Personnel	Total
I.	**Liabilities**					
	Deposits	49.59	61.02	107.84	174.02	392.47
		(67.64)	(261.73)	(104.26)	(184.32)	(617.95)
	Interest Payable	0.23	-	1.13	0.61	1.97
		(0.10)	(1.94)	(1.00)	(0.50)	(3.54)
	Other Liabilities	3.48	#	0.06	#	3.54
		(0.91)	(#)	(0.10)	(#)	(1.01)
II.	**Assets**					
	Advances	25.31	0.01	1.31	0.04	26.68
		(40.31)	(-)	(0.92)	(4.45)	(45.68)
	Investments –Gross	103.28	-	#	-	103.28
		(127.28)	(-)	(#)	(-)	(127.28)
	Diminution on Investments	-	-	#	-	#
		(-)	(-)	(#)	(-)	(#)
	Other Assets	0.23	#	10.49	0.03	10.75
		(0.39)	(#)	(0.27)	(0.03)	(0.69)
	Non Fund/ Commitments					
	Bank Guarantees	-	-	1.13	-	1.13
		(-)	(-)	(1.13)	(-)	(1.13)
	Forward/CIRS o/s	-	-	-	-	-
		(-)	(-)	(-)	(1.65)	(1.65)

(₹ in crore)

Items/Related Party		Associates/ others	Key Management Personnel	Enterprises over which KMP /relatives of KMP have control / significant influence	Relatives of Key Management Personnel	Total
III.	**Expenses**					
	Salaries (Include ESOP cost)* / fees	-	24.60	-	0.57	25.17
		(-)	(23.66)	(-)	(0.45)	(24.11)
	Interest Paid	7.32	14.50	4.78	12.71	39.31
		(4.40)	(44.30)	(3.09)	(8.77)	(60.56)
	Other Expenses	#	-	4.29	0.02	4.31
		(-)	(2.17)	(2.95)	(1.44)	(6.57)
IV.	**Income**					
	Interest Income	4.53	-	0.06	0.30	4.89
		(8.97)	(0.17)	(0.14)	(0.35)	(9.64)
	Other Income	0.57	1.48	2.08	0.13	4.26
		(0.61)	(1.50)	(1.45)	(0.17)	(3.74)
V.	**Other Transactions**					
	Dividend Paid	-	76.95	0.23	0.53	77.71
		(-)	(56.37)	(0.14)	(0.39)	(56.90)
	Reimbursement from companies	0.27	-	-	-	0.27
		(-)	(-)	(-)	(-)	-
	Loan Repaid	15.00	-	-	-	15.00
		(15.00)	(-)	(-)	(0.01)	(15.01)
	Purchase of Investments	1.00	-	-	-	1.00
		(-)	(-)	(-)	(-)	(-)
	Sale of Investments	-	-	-	5.64	5.64
		(-)	(28.35)	(-)	(-)	(28.35)
	Swaps/Forwards/Options Contracts	2.84	4.50	4.32	24.61	36.27
		(-)	(5.90)	(4.21)	(26.02)	(36.14)

Material transactions/outstanding with related parties:

(₹ in crore)

Items/Related Party		Associates/ others	Key Management Personnel	Enterprises over which KMP /relatives of KMP have control / significant influence	Relatives of Key Management Personnel	Total
I.	**Liabilities:**					
	Other liabilities					
	Infina Finance Private Limited	3.48	-	-	-	3.48
		(0.90)	(-)	(-)	(-)	(0.90)
	Others	#	#	0.06	#	0.06
		(#)	(#)	(0.10)	(#)	(0.10)
II.	**Assets:**					
	Investments					
	Phoenix ARC Private Limited	101.18	-	-	-	101.18
		(126.18)	(-)	(-)	(-)	(126.18)
	Others	1.10	-	#	-	1.10
		(1.10)	(-)	(#)	(-)	(1.10)
	Diminution on investments					
	Business Standard Private Limited	-	-	#	-	#
		(-)	(-)	(#)	(-)	(#)
	Other Assets					
	Kotak Commodity Services Private Limited	-	-	10.30	-	10.30
		(-)	(-)	(0.27)	(-)	(0.27)
	Others	0.23	#	0.18	0.03	0.45
		(0.39)	(#)	(#)	(0.03)	(0.42)
	Non Fund Commitments					
	Bank Guarantees					
	Aero Agencies Private Limited	-	-	1.00	-	1.00
		(-)	(-)	(1.00)	(-)	(1.00)
	KF Trust (formerly known as USK Benefit Trust II)	-	-	0.13	-	0.13
		(-)	(-)	(0.13)	(-)	(0.13)

(₹ in crore)

Items/Related Party	Associates/ others	Key Management Personnel	Enterprises over which KMP /relatives of KMP have control / significant influence	Relatives of Key Management Personnel	Total
III. Expenses:					
Salaries (Includes ESOP cost)					
Mr. Dipak Gupta*	-	8.37	-	-	8.37
	(-)	(8.22)	(-)	(-)	(8.22)
Mr. KVS Manian*	-	6.72	-	-	6.72
	(-)	(7.82)	(-)	(-)	(7.82)
Mr. Gaurang Shah*	-	-	-	-	-
	(-)	(5.27)	(-)	(-)	(5.27)
Ms. Shanti Ekambaram*	-	6.73	-	-	6.73
	(-)	(2.35)	(-)	(-)	(2.35)
Mr. Ashok Vaswani	-	1.83	-	-	1.83
	(-)	(-)	(-)	(-)	(-)
Others	-	0.96	-	0.57	1.52
	(-)	(-)	(-)	(0.45)	(0.45)
Other Expenses					
Aero Agencies Private Limited	-	-	4.24	-	4.24
	(-)	(-)	(2.87)	(-)	(2.87)
Others	#	-	0.05	0.02	0.07
	(-)	(2.17)	(0.08)	(1.44)	(3.69)
IV. Income:					
Other Income					
Mr. Uday S. Kotak	-	0.72	-	-	0.72
	(-)	(0.73)	(-)	(-)	(0.73)
Mr. KVS Manian	-	0.73	-	-	0.73
	(-)	(0.73)	(-)	(-)	(0.73)
Kotak Commodity Services Private Limited	-	-	1.13	-	1.13
	(-)	(-)	(0.88)	(-)	(0.88)
Others	0.57	0.02	0.96	0.13	1.68
	(0.61)	(0.04)	(0.57)	(0.17)	(1.40)
V. Other Transactions:					
Dividend Paid					
Mr. Uday S. Kotak	-	76.65	-	-	76.65
	(-)	(56.20)	(-)	(-)	(56.20)
Others	-	0.29	0.23	0.53	1.05
	(-)	(0.16)	(0.14)	(0.39)	(0.70)
Reimbursements from companies					
Infina Finance Private Limited	0.14	-	-	-	0.14
	(0.20)	(-)	(-)	(-)	(0.20)
Phoenix ARC Private Limited	0.13	-	-	-	0.13
	(0.23)	(-)	(-)	(-)	(0.23)
Loan Repaid During the Year					
Phoenix ARC Private Limited	15.00	-	-	-	15.00
	(15.00)	(-)	(-)	(-)	(15.00)
Purchase of Investment					
Kotak Karma Foundation	1.00	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)
Sale of Investments					
Mr. Dhawal Kotak	-	-	-	5.64	5.64
	(-)	(-)	(-)	(-)	(-)
Swaps/Forwards/Options Contracts					
Mr. Dhawal Kotak	-	-	-	13.12	13.12
	(-)	(-)	(-)	(12.95)	(12.95)
Ms. Aarti Chandaria	-	-	-	3.97	3.97
	(-)	(-)	(-)	(7.77)	(7.77)
Others	2.84	4.50	4.32	7.52	19.18
	(-)	(5.90)	(4.21)	(5.31)	(15.42)

**includes incentive paid during the year*

In the above table denotes amounts less than ₹ 50,000

Note: Figures of previous year (FY 2023) are given in bracket.

Maximum balance outstanding

(₹ in crore)

Items/Related Party		Associates/ others	Key Management Personnel	Enterprises over which KMP /relatives of KMP have control / significant influence	Relatives of Key Management Personnel
I.	**Liabilities**				
	Deposits	347.49	311.72	269.00	207.31
		(768.74)	(2,553.73)	(180.63)	(248.59)
	Other Liabilities*	3.71	1.94	1.18	0.61
		(15.48)	(1.94)	(1.10)	(0.50)
II.	**Assets**				
	Investments-Gross*	127.28	-	#	-
		(177.15)	(-)	#	(-)
	Advances*	40.31	0.01	1.31	4.45
		(55.31)	(4.62)	(2.45)	(4.45)
	Other Assets*	0.39	#	10.49	0.03
		(1.95)	(0.02)	(4.13)	(0.03)
	Non Funded Commitments				
	Bank Guarantees*	-	-	1.13	-
		(-)	(-)	(1.13)	(-)

** Based on maximum of opening and closing balances for the year.*

In the above table denotes amounts less than ₹ 50,000.

Note: Figures of previous year (FY2023) are given in bracket.

23. ITEMS EXCEEDING 1% OF TOTAL ASSETS/ TOTAL INCOME

a. There are no items under Others (including provisions) (Schedule 5- Other Liabilities and Provisions) exceeding 1% of total assets of the Group.

b. There are no items under Others assets (Schedule 11- Other Assets) exceeding 1% of the total assets of the Group.

c. There are no items under Miscellaneous Income (Schedule 14- Other Income) exceeding 1% of total income of the Group.

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

(₹ in crore)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Professional Charges	1,319.17	1,371.45
Brokerage	1,633.91	1,515.84

24. The Group, 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 Group 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 Group ("Ultimate Beneficiaries"). The Group has also not received any funds from any parties (Funding Party) with the understanding that the Group 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.

25. The Bank has acquired 100% of the issued and paid up capital of Sonata Finance Private Limited ("Sonata"), 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 with effect from 28th March, 2024. The excess of the purchase consideration over the book value of the net assets acquired of ₹ 134 crore has been accounted as Goodwill.

26. The Bank and Kotak Mahindra General Insurance Company Limited ("KGI") have entered into definitive agreements for a transaction with Zurich Insurance Company Limited ("Zurich"), whereby Zurich will acquire 70% stake in KGI by way of a combination of primary and secondary acquisitions in a single tranche, for a total consideration of approximately ₹ 5,560 crore ("Transaction"). Transaction would be subject to fulfilment of customary conditions precedent, including the receipt of regulatory approvals from the Reserve Bank of India and the Insurance Regulatory and Development Authority of India. Upon completion of the Transaction (subsequent to receipt of all requisite approvals), KGI will cease to be a Wholly Owned Subsidiary of the Bank.

27. 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 31st March, 2024 (Previous Year ₹ 1.50 per share). The Bank is obliged to pay dividend to those shareholders whose names are appearing in the register of members as on the book closure date. The dividend will be paid after the approval of the shareholders at the Annual General Meeting.

28. The Bank has received an order from the Reserve Bank of India dated April 24, 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 March 31, 2024.

29. Kotak Securities Limited, a subsidiary of the Bank had received an order dated 13th October 2023 from NSE MCSGFC Committee calling upon the subsidiary to submit a plan in 45 days to divest its long term investments in associate companies, citing Rule 8 (3) (f) of the Securities Contract Regulations Rules and NSE's circular dated 7th January, 2022. The subsidiary had filed petition challenging the said circular and order in the Bombay High Court. The Hon'ble High Court has from time to time extended the time to comply with NSE's order and at the hearing held on 18th April, 2024 further extended this time till 15th June, 2024. The matter is sub- judice and next hearing is listed on 9th May, 2024.

30. ADDITIONAL DISCLOSURE

Additional statutory information disclosed in the separate financial statements of the Bank and Subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

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

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

FORM AOC - 1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies

PART "A" : Subsidiaries

₹ in crore

Particulars	Kotak Mahindra Prime Limited	Kotak Securities Limited	Kotak Mahindra Capital Company Limited	Kotak Mahindra Life Insurance Company Limited[6]	Kotak Mahindra General Insurance Company Limited	Kotak Mahindra Investments Limited	Kotak Mahindra Asset Management Company Limited	Kotak Mahindra Trustee Company Limited	Kotak Mahindra (International) Limited[5]	Kotak Mahindra (UK) Limited[5]	Kotak Mahindra, Inc.[5]	Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	Kotak Mahindra Trusteeship Services Limited	Kotak Infrastructure Debt Fund Limited	Kotak Mahindra Pension Fund Limited	Kotak Mahindra Financial Services Limited[5]	Kotak Mahindra Asset Management (Singapore) Pte. Limited[5]	IVY Product Intermediaries Limited	BSS Microfinance Limited	Kotak Karma Foundation[8]	Sonata Finance Private Limited[9]
Share Capital	3.50	1.60	3.44	510.29	875.00	5.62	29.80	0.05	16.16	7.01	0.14	8.97	0.09	310.00	60.00	8.45	9.40	2.21	26.73	1.00	26.45
Reserves & Surplus	9,172.99	8,284.55	1,177.59	5,352.94	(427.88)	3,323.39	1,965.82	525.27	985.18	488.18	98.64	855.61	34.91	209.61	(7.60)	(5.39)	354.59	4.48	983.12	(0.16)	362.96
Total Assets	38,394.45	24,460.39	1,304.31	83,375.38	2,541.76	14,900.83	2,179.91	531.73	1,230.81	736.67	111.78	1,432.84	40.16	1,442.94	54.92	5.93	390.52	6.75	1,196.01	0.93	923.70
Total Liabilites	29,217.97	16,174.24	123.28	77,512.15	2,094.64	11,571.81	184.29	6.41	229.48	241.48	13.00	568.26	5.16	923.33	2.52	2.88	26.53	0.06	186.16	0.09	534.28
Investments (excluding investment in subsidiaries)[1]	3,186.83	2,279.90	503.06	80,016.73	2,295.36	2,720.63	2,036.64	517.30	1,189.06	241.59	47.86	1,161.97	-	367.18	53.73	-	155.23	-	51.91	-	0.05
Turnover[2]	4,130.95	3,824.33	431.68	26,846.82	1,014.63	1,493.53	941.83	140.53	91.66	163.78	50.34	413.12	19.46	119.07	6.38	5.11	123.84	0.45	996.07	-	4.19
Profit before taxation	1,188.36	1,635.18	276.69	1,041.24	(88.95)	690.51	570.64	135.20	65.82	55.24	13.95	76.87	7.68	43.40	(0.21)	(0.59)	85.32	0.44	509.04	(0.16)	(16.64)
Provision for taxation	300.30	409.01	61.68	352.61	-	176.30	146.23	34.43	1.54	16.60	2.87	18.03	1.81	-	-	-	10.00	0.11	125.82	-	(2.94)
Profit after taxation	888.06	1,226.17	215.01	688.62	(88.95)	514.21	424.41	100.77	64.28	38.63	11.08	58.84	5.87	43.40	(0.21)	(0.59)	75.32	0.33	383.22	(0.16)	(13.71)
Proposed Dividend (Equity)	NIL	NIL	NIL	229.63	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
% of Shareholding[4]	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Note:

(1) Investments include investments and stock-in-trade reported by the above entities and also include investments held to cover policy holders' liabilities and unit linked liabilities.

(2) Turnover is the total income reported by each of the entities in their financial statements.

(3) As per Accounting Standard 4 "Contingencies and Events Occurring After the Balance Sheet Date" ('AS 4(Revised)'), the Company is not required to create provision for dividend declared after the balance sheet date but before financial statements are approved by the shareholders.

(4) % of Shareholding includes direct and indirect holding through subsidiaries.

(5) The financial statements of subsidiaries located outside India i.e. Kotak Mahindra, Inc., Kotak Mahindra (UK) Limited, Kotak Mahindra (International) Limited, Kotak Mahindra Financial Services Limited and Kotak Mahindra Asset Management (Singapore) Pte. Limited are prepared in accordance with accounting principles generally accepted in their respective countries. For the purpose of preparation of the consolidated financial results, the results of these subsidiaries are prepared under Generally Accepted Accounting Principles in India ('Indian GAAP'). The reporting currency of these subsidiaries is USD and financial statements are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the year ending 31st March, 2024 (1 USD = 82.80 INR) and (b) All assets and liabilities are translated at the closing rate as on the last day of the financial year ending 31st March, 2024 (1 USD = 83.41 INR).

(6) On 26th April, 2024, the Board of Directors of Kotak Mahindra Life Insurance Company Limited have proposed a final dividend of ₹ 4.50 per share amounting to ₹ 229.63 crore in respect of the year ending 31st March, 2024 subject to the approval of shareholders at the Annual General Meeting.

(7) The financial statements of Indian subsidiaries (excluding insurance companies) and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015. For the purpose of preparation of the consolidated financial results, the results of subsidiaries and associates are in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') specified under Section 133 and relevant provision of Companies Act, 2013.

(8) On 26th June, 2023, the Bank has incorporated "Kotak Karma Foundation" ("the Foundation") under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence (CoE) of the Bank for furtherance of part of its Corporate Social Responsibility (CSR) Initiatives. Being a Section 8 Company and as per terms of articles, the Foundation would operate with restrictions to transfer funds to the parent, hence in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", the Company shall be excluded from consolidation.

(9) The Bank 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. With this acquisition, Sonata became a wholly-owned subsidiary of the Bank w.e.f 28th March, 2024.

PART "B" : Associates

₹ in crore

Particulars	Infina Finance Private Limited	Phoenix ARC Private Limited
Latest Audited Balance Sheet date	31-Mar-24	31-Mar-24
Shares of Associate held by the Group on the year end		
No. of Equity Shares	1,100,240	83,832,000
Amount of Investment in Associates	1.10	100.02
Extent of Holding %	49.99%	49.90%
Description of how there is significance influence	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power
Reason why the associate is not consolidated	Ownership of less than 50% of the voting power and no control over the Board	Ownership of less than 50% of the voting power and no control over the Board
Networth attributable to Shareholding as per latest audited Balance Sheet	1,225.93	462.70
Profit for the year	256.31	216.94
i) Considered in the Consolidation	128.13	108.25
ii) Not considered in the Consolidation	128.18	108.69

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

Mumbai
4th May, 2024

Basel III (Pillar 3) Disclosures (Consolidated) as at 31st March, 2024

In accordance with the RBI guidelines, Banks are required to make consolidated Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) under the Basel III Framework. These disclosures are available on the Bank's website at the following link: https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html. These disclosures have not been subjected to audit.

Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of **Kotak Mahindra Bank Limited** ('the Bank'), which comprise the Standalone Balance Sheet as at **31 March 2024**, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information ('the Standalone Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2024 and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

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

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

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

Key Audit Matter	How our audit addressed the key audit matter
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 ('CRILC'). • With respect to provisions recognised towards NPAs, we reperformed the provision calculations on a sample basis taking into consideration the value of security, where applicable, the IRAC norms and NPA policy of the Bank, and compared our outcome to that prepared by the management and tested relevant assumptions and judgements which were used by the management.

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

Key Audit Matter	How our audit addressed the 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 described in Note 21 of Schedule 18B to the standalone financial statements, a supervisory action was undertaken against the Bank under Section 35A of the Banking Regulation Act, 1949 by the Reserve Bank of India ('RBI') subsequent to the year end on 24 April 2024 arising from an IT examination conducted by the RBI, and the related reports containing its observations was issued by the RBI.	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Bank. On such 'in-scope' IT systems, we have tested key IT general controls and evaluated the same with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined approvals and relevant segregation of environment is ensured. • User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications and its related operating system and databases in the production environment were granted only to authorized personnel. • Other areas under the IT control environment which includes backup management, business continuity, disaster recovery drill in-line with the bank's disaster recovery plan, incident management, batch processing and monitoring. We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting processes, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified related to internal controls over financial reporting, we tested compensating controls or performed alternative audit procedures, where necessary.

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

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

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

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

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

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

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

7. The accompanying Standalone Financial Statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time ('RBI Guidelines'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In our opinion, The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.

16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

    a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

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

    c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 128 branches to examine the records maintained at the branches for the purpose of our audit.

17. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

18. As required by section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books; except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;

    e) On the basis of the written representations received from the directors as on 31 March 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in Annexure A wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Schedule 12 (I), Schedule 17C – Note 13 and Schedule 18B - Note 15 to the Standalone Financial Statements;

ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 (II), 12 (Va) and 12 (Vb), Schedule 17C – Note 10, Note 11 and Note 13 and Schedule 18B – Note 10 and Note 15 to the Standalone Financial Statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended 31 March 2024;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend declared and paid during the year ended 31 March 2024 by the Bank is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software, except for six accounting software having Oracle or MySQL or SQL database, where the audit trail has not been enabled at the database level to log any direct data changes. Further, the Bank has used an accounting software hosted by third-party service providers for maintaining its books of account and in the absence of service organization controls auditors' report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Based on our procedures performed, for the accounting software other than the aforesaid databases where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with.

For **Price Waterhouse LLP**
Chartered Accountants

Firm Registration Number: 301112E/ E300264

Russell I Parera
Partner
Membership Number: 042190
UDIN: 24042190BKFFOQ2541

Place : Mumbai
Date : 04 May 2024

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

Gautam Shah
Partner
Membership Number: 117348
UDIN: 24117348BKBZWK9832

Place : Mumbai
Date : 04 May 2024

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

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

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

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

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

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

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

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

7. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For **Price Waterhouse LLP**
Chartered Accountants

Firm Registration Number: 301112E/ E300264

Russell I Parera
Partner
Membership Number: 042190
UDIN: 24042190BKFFOQ2541

Place : Mumbai
Date : 04 May 2024

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

Gautam Shah
Partner
Membership Number: 117348
UDIN: 24117348BKBZWK9832

Place : Mumbai
Date : 04 May 2024

Balance Sheet

as at 31st March, 2024

(₹ in thousands)

	Schedule	As at 31st March, 2024	As at 31st March, 2023
CAPITAL AND LIABILITIES			
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
Total		**6,003,570,457**	**4,898,624,773**
ASSETS			
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
Total		**6,003,570,457**	**4,898,624,773**
Contingent Liabilities	12	7,172,811,816	4,556,937,357
Bills for Collection		474,677,060	446,552,442
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Balance Sheet.
The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

Profit and Loss Account

for the year ended 31st March, 2024

(₹ in thousands)

		Schedule	Year ended 31st March, 2024	Year ended 31st March, 2023
I.	**INCOME**			
	Interest Earned	13	457,989,110	342,508,509
	Other Income	14	102,731,007	70,830,509
	Total		**560,720,117**	**413,339,018**
II.	**EXPENDITURE**			
	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
	Total		**422,904,293**	**303,946,067**
III.	**PROFIT**			
	Net Profit for the year (I - II)		137,815,824	109,392,951
	Add: Balance in Profit and Loss Account brought forward from previous year		377,600,930	304,558,535
	Total		**515,416,754**	**413,951,486**
IV.	**APPROPRIATIONS**			
	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
	Total		**515,416,754**	**413,951,486**
V.	**EARNINGS PER SHARE (Face Value of ₹ 5/-)** (Refer Note 1 - Schedule 18 B)			
	Basic		69.15	54.89
	Diluted		69.15	54.87
Significant accounting policies and notes to accounts forming part of financial statements		17 & 18		

The schedules referred to above form an integral part of this Profit and Loss Account.
The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	**137,815,824**	**109,392,951**
Add: Provision for tax	42,321,343	34,516,910
Net Profit before taxes	**180,137,167**	**143,909,861**
Adjustments for :-		
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)
	187,953,086	**158,310,284**
Adjustments for :-		
(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
Sub-total	**(2,793,691)**	**(207,224,488)**
Direct Taxes Paid	**(46,151,531)**	**(34,777,571)**
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)	**139,007,864**	**(83,691,775)**
CASH FLOW FROM INVESTING ACTIVITIES		
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
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	**20,215,038**	**4,908,644**

Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
CASH FLOW FROM FINANCING ACTIVITIES		
(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)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	**43,144,410**	**(25,419,058)**
Increase in Foreign Currency Translation Reserve (D)	**93,631**	**385,916**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**202,460,943**	**(103,816,273)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE BELOW)	**325,423,078**	**429,239,351**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE BELOW)	**527,884,021**	**325,423,078**
Note:		
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	11,733	11,733
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	3,266,665	3,758,533
Money at Call and Short Notice in India (as per Sch 7 I (ii))	114,806,705	78,969,813
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	19,910,301	18,823,722
Balance with RBI in Current Account (As per Sch 6 II (a))	192,100,075	180,831,853
Balance with RBI in other account (As per Sch 6 II (b))	150,510,000	-
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	27,895,220	23,528,483
(ii) In other Deposit Accounts (As per Sch 7 II (ii))	19,383,322	19,498,941
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**527,884,021**	**325,423,078**

As per our report of even date attached.

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

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

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Managing Director and
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Deputy Managing Director
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Uday Khanna
Director
DIN: 00079129

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

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

Schedules

forming part of Standalone Balance Sheet as at 31st March, 2024

SCHEDULE 1 - CAPITAL

(₹ in thousands)

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

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

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

(₹ in thousands)

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

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

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

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**Borrowings in India**		
	(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
	Total	**209,701,800**	**189,260,392**
II.	**Borrowings outside India**		
	Banks & Other Institutions (Refer Note 13 - Schedule 18 B)	73,979,156	44,902,292
	Total	**73,979,156**	**44,902,292**
	Total Borrowings (I and II)	**283,680,956**	**234,162,684**
	Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
	Tier II Bonds included in I (iii) above	-	-
	Tier II Bonds included in II above	**-**	**-**

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
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
	Total	**263,164,482**	**198,299,064**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

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

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

(₹ in thousands)

		As at 31st March, 2024	As at 31st March, 2023
I.	**In India**		
	(i) Balances with Banks		
	(a) In Current Accounts	3,266,665	3,758,533
	(b) In Other Deposit Accounts	11,733	11,733
	Total	**3,278,398**	**3,770,266**
	(ii) Money at Call and Short Notice		
	(a) With Banks	-	77,469,813
	(b) With Other Institutions	114,806,705	1,500,000
	Total	**114,806,705**	**78,969,813**
	Total (i and ii)	**118,085,103**	**82,740,079**
II.	**Outside India**		
	(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	-	-
	Total (i, ii and iii)	**47,278,542**	**43,027,424**
	Total (I and II)	**165,363,645**	**125,767,503**

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

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

SCHEDULE 9 - ADVANCES

(₹ in thousands)

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

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

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

(₹ in thousands)

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

SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

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

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

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

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

SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

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

SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

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

SCHEDULE 15 - INTEREST EXPENDED

(₹ in thousands)

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

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

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

** Pertains to non executive director's remuneration.*

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES[1]

A BACKGROUND

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

B BASIS OF PREPARATION

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

Use of estimates

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

C SIGNIFICANT ACCOUNTING POLICIES

1 Investments

Classification:

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

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

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

Basis of classification:

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

Acquisition Cost:

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

Disposal of investments:

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

Short Sale:

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

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

Valuation:

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

a) **Investments classified as HTM –** These are carried at their acquisition cost. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of such securities is provided.

b) **Investments classified as HFT or AFS –** Investments in these categories are marked to market and the net depreciation, if any, within each group is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored. Further, provision other than temporary diminution is made at individual security level. Except in cases where provision other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.

c) The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared on Fixed Income Money Market and Derivatives Association of India ('FIMMDA') website by Financial Benchmark India Private Limited (FBIL) as at the year end.

d) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

e) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.

f) Investments in subsidiaries / joint ventures (as defined by RBI) are categorised as HTM and assessed for impairment to determine other than temporary diminution, if any, in accordance with RBI guidelines.

g) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:

- In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;

- In case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI. Interest on such securities is not recognised in the Profit and Loss Account until received;

- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1 per investee company;

- Units of Venture Capital Funds (VCF) held under AFS category where current valuations are not available are marked to market based on the Net Asset Value (NAV) shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF. Investment in unquoted VCF after 23rd August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines. Such investments are required to be transferred to AFS thereafter;

- Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower. The Bank has classified Security Receipts whose tenure has exceeded 8 years, as "Non Performing investments".

- The Bank provides for investments in Alternate Investments Funds (AIF) in accordance with RBI circular dated 19th December, 2023 and 27th March 2024.

h) Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.

i) **Repurchase and reverse repurchase transactions -** Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

2 Advances

Classification:

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

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

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

Provisioning:

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

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

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

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

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

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

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

3 Loss on Sale of Advances to Asset Reconstruction Company

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

4 Securitisation

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

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

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

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

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

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

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

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

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

6 Cash and cash equivalents

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

7 Bullion

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

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

8 Revenue recognition

Interest income is recognised on accrual basis.

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

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

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

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

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

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

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

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

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

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

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

9 Employee benefits

Defined Contribution Plan

Provident Fund

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

Superannuation Fund

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

New Pension Scheme

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

DIFC Employee Workplace Savings Scheme (DEWS)

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

Defined Benefit Plan

Gratuity

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

Pension Scheme

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

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

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

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

Compensated Absences – Other Long-Term Employee Benefits

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

Other Employee Benefits

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

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

Employee share based payments

Equity-settled scheme:

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

RBI, vide its clarification dated 30th 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 31st 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 31st March, 2021. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

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

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

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

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

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

Cash-settled scheme:

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31st 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 31st March, 2021 are measured on fair value basis.

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

10 Foreign currency transactions

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

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

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

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

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

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

11 Derivative transactions

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

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

12 Lease accounting

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

13 Accounting for provisions, contingent liabilities and contingent assets

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

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

14 Impairment

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

15 Taxes on income

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

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

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

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

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

16 Accounting for Dividend

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

17 Earnings per share

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

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

18 Share issue expenses

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

19 Credit cards reward points

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

20 Segment reporting

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

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

Segment	Principal activity
Other Retail Banking	Includes (other than covered under Digital Banking above): 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:

(₹ in crore)

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

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

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

2. COMPOSITION OF INVESTMENT PORTFOLIO

(₹ in crore)

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

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

(₹ in crore)

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

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

3. MOVEMENT OF PROVISIONS FOR DEPRECIATION AND INVESTMENT FLUCTUATION RESERVE

(₹ in crore)

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

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

Year ended 31st March, 2024:

(₹ in crore)

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

Year ended 31st March, 2023:

(₹ in crore)

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

5. DISCLOSURE IN RESPECT OF NON-SLR INVESTMENTS

(i) Non-performing Non-SLR investments:

(₹ in crore)

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

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

(₹ in crore)

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

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 31st March, 2023:

(₹ in crore)

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

Issuer also include investments held outside India.

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

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

7. DERIVATIVES

A. Forward Rate Agreements/ Interest Rate Swaps:

(₹ in crore)

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

B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

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

** Being trading positions*

C. Disclosures on risk exposures in derivatives:

Qualitative disclosures:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Quantitative Disclosures:

31st March 2024:

(₹ in crore)

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

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

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

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

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

(₹ in crore)

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

**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)

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

**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)

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

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

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

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

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

(₹ in crore)

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

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)

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

**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)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
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	
Closing Balance	**374,815.45**	**2,092.78**	**2,979.65**	**202.35**	**5,274.78**	**380,090.23**
(*) 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)
Provisions (excluding Floating Provisions)						
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)	
Closing balance of provisions held	**10.75**	**1,069.71**	**2,732.15**	**202.35**	**4,004.21**	**4,014.96**
Net NPAs						
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)	
Closing Balance		**1,023.07**	**247.50**	**-**	**1,270.57**	
Ratios						
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 31st March, 2024.

As at 31st March, 2023

(₹ in crore)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
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)	
Closing Balance	**318,695.94**	**1,528.74**	**3,970.41**	**269.17**	**5,768.32**	**324,464.26**
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(2,041.37)	(2,041.37)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,859.60)	(1,859.60)
iii) Technical/Prudential Write-offs					(93.39)	(93.39)
iv) Write-offs other than those covered under (iii) above					(696.98)	(696.98)
Provisions (excluding Floating Provisions)						
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)	
Closing balance of provisions held	**28.03**	**837.21**	**3,468.64**	**269.17**	**4,575.02**	**4,603.05**
Net NPAs						
Opening Balance		**928.90**	**807.81**	**-**	**1,736.71**	
Add: Fresh additions during the year					1,676.36	
Less: Reductions during the year					(2,219.77)	
Closing Balance		**691.53**	**501.77**	**-**	**1,193.30**	
Ratios						
Gross NPA to Gross Advances (%)						1.78%
Net NPA to Net Advances (%)						0.37%

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

10. MOVEMENT OF TECHNICAL WRITE-OFFS AND RECOVERIES

(₹ in crore)

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

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)

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

(*) 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)

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

$ Amount is less than 50,000/-.

(₹ in crore)

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

** Represents Gross Advances*

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

15. PRIORITY SECTOR LENDING CERTIFICATES

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

As at 31st March, 2024:

(₹ in crore)

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

As at 31st March, 2023:

(₹ in crore)

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

16. DETAILS OF ACCOUNTS SUBJECTED TO RESTRUCTURING*

(₹ in crore)

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

**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)

No. of accounts restructured	Amount
650*	396.44

** Disclosure given is at borrower level*

As at 31st March, 2023:

(₹ in crore)

No. of accounts restructured	Amount
960*	630.78

** Disclosure given is at borrower level*

Disclosure on Resolution of stressed assets:

In terms of the RBI circular dated 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)

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

18. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

Details of loans transferred/acquired for the year ended 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)

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

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

(₹ crore except tenor)

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

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

(₹ crore except tenor)

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

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

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

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

^ - Recovery Rating is as assigned by various external rating agencies.

** - Net of Provisions.*

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

19. UNSECURED ADVANCES

(₹ in crore)

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

20. BUSINESS RATIOS / INFORMATION

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

Definitions:

(A) Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X, during the 12 months of the financial year.

(B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).

(C) For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.

(D) Productivity ratios are based on average number of employees.

(E) Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

(F) Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

21. MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

31st March, 2024:

(₹ in crore)

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

** Listed equity investments in AFS have been considered at 50% (₹ 596.23 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)

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

** 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 ₹ 5,682.10 crore are netted off against advances.

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

22. EXPOSURES

(a) Exposure to Real Estate Sector*:

(₹ in crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Direct exposure	72,926.43	70,670.46
i. Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31st March, 2024 ₹ 1,836.47 crore and as at 31st 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 and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,313.34	5,924.40
Total Exposure to Real Estate Sector (a+b)	**76,239.77**	**76,594.86**

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

(b) Exposure to Capital Market*:

(₹ in crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;#	1,967.29	2,362.01
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	979.74	844.77
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	4,363.65	4,643.95
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	2,604.48	2,449.04
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	581.62	1,293.16
ix. Financing to stockbrokers for margin trading;	1,900.40	1,090.94
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	1,735.62	30.54
xi. Others (Financial Guarantees)	293.09	219.92
Total Exposure to Capital Market*	**14,425.89**	**12,934.33**

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 12th February, 2018, the above amount is exempt from regulatory ceilings/restriction on capital market exposure.

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

(c) Risk category wise country exposure:

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

(₹ in crore)

Risk Category	Exposure (net) as at 31st March, 2024	Provision held as at 31st March, 2024	Exposure (net) as at 31st March, 2023	Provision held as at 31st 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	-	-	-	-
Total	**10,532.02**	**-**	**8,684.15**	**-**

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

23. CONCENTRATION OF DEPOSITS

(₹ in crore)

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

24. CONCENTRATION OF ADVANCES*

(₹ in crore)

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

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

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

25. CONCENTRATION OF EXPOSURES**

(₹ in crore)

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

*** Exposures represents credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC. 12/13.03.00/2015-16 dated 1st 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 6th August, 2020 and 5th 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 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at 31st March 2024 is given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half - year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half - year#	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
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$	8.51	52.90
Total	**186.26**	**1.59**	**0.12**	**47.74**	**136.93**

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

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

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

$ Amount less than ₹ 50,000/-.

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

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

Year ended 31st 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 31st March 2023:

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

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

30. BANCASSURANCE BUSINESS

(₹ in crore)

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

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

31. FLOATING PROVISIONS

(₹ in crore)

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

32. DRAW DOWN FROM RESERVES

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

33. a) Status of Shareholder Complaints:

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

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

Sr. No		Particulars	31st March, 2024	31st March, 2023
Complaints received by the bank from its customers(*)				
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
1	2	3	4	5	6
31st 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
Total	**11,218**	**292,085**	**24%**	**16,418**	**10,541**
31st March,2023					
ATM/Debit Cards	3,088	80,053	12%	1,126	187
Internet Banking /Mobile Banking/E-Banking	3,501	67,304	33%	5,686	1,883
Credit Cards	302	17,687	51%	924	350
Account opening/difficulty in operation of accounts	297	15,770	6%	660	22
Levy of charges without prior notice/ excessive charges/foreclosure charges	112	7,449	21%	365	5
Others	895	47,392	10%	2,457	256
Total	**8,195**	**235,655**	**19%**	**11,218**	**2,703**

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 27th January 2021.)

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

34. MARKETING AND DISTRIBUTION (EXCLUDING BANCASSURANCE BUSINESS)

(₹ in crore)

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

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

35. DISCLOSURES ON REMUNERATION

A. Qualitative Disclosures:

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

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

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

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:[2]

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:[3]

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 22nd 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

2 GRI 2-19

3 GRI 2-20

- Vigilance
- Legal
- Secretarial
- HR
- Investor Relations
- CSR

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

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

Category I & II

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

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

Category III

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

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

For adjusting deferred remuneration before & after vesting:

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

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

Malus and clawback may be applied for following circumstances:

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

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

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

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

The components of such variable pay will include:

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

B. Quantitative Disclosures:

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

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

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

As per FY24 policy for the year ended 31st March 2024 ("FY2024 policy"):

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

*Plus 2 CEOs during the year.

As per FY23 policy for the year ended 31st March 2023 ("FY2023 policy"):

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

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

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

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

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

Year ended 31st March, 2024	Year ended 31st March, 2023
Nil	Nil

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

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

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

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

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

Fixed Pay:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Total fixed salary	₹ 155.13 crore	₹ 118.60 crore

Variable Pay:

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

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

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

Nil (previous year Nil)

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

Nil (previous year Nil)

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

Nil (previous year Nil)

k) Number of MRT identified.

82 (previous year 64)

l) Number of cases where malus has been exercised.

Nil (previous year Nil)

m) Number of cases where clawback has been exercised.

Nil (previous year Nil)

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

Nil (previous year Nil)

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

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

Ratio of pay of each WTD to the mean pay for the bank as a whole[4]

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

Notes:

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

36. INTRA – GROUP EXPOSURES

(₹ in crore)

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

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

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

(₹ in crore)

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

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38. UNHEDGED FOREIGN CURRENCY EXPOSURE OF BORROWERS

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

a) Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.

b) Quarterly monitoring of un-hedged foreign currency exposures of borrowers.

c) Risk classification of borrowers having un-hedged foreign currency exposures, into Low / Medium / High, as per internal norms, based on potential loss / EBID ratio. Potential loss means the loss which may be arise over a one year horizon by adverse movement of exchange rates; this is computed as UFCE amount multiplied by the annual volatility factor.

d) Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the potential loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counterparties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

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

e) In case of borrowers exposed to currency risk where declarations for foreign currency payables / receivables (UFCE declarations) are not submitted, provision for currency induced credit risk is made as per RBI stipulated rates mentioned below:

- 10 bps in cases where limits with banking system are ₹ 50 crore or less;
- 80 bps in cases where limits with banking system are more than ₹ 50 crore.

f) Further, where annual certification from statutory auditors of UFCE data is not submitted, such borrowers are treated as UFCE declaration not submitted cases and provision is computed as per point (e) above.

g) Exemption allowed by RBI are excluded from UFCE provision computation, including specified all India financial institutions, multilateral agencies, domestic & foreign sovereigns, and other exemptions. Further, 100% FD backed exposure is not reckoned as exposure as per RBI definition and thus not reckoned by the Bank for UFCE provision computation. Similarly, LCBD and BG/LC backed exposures are considered as exposure to LC/ SBLC issuing banks and not to borrower entity.

h) Management of foreign exchange risk is considered as a parameter for internal risk rating of borrowers.

Provision held for currency induced credit risk as at 31st 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 31st March, 2024 is ₹ crore 3,154.68 crore (previous year ₹ 1,393.73 crore).

39. a) Liquidity Coverage Ratio

(₹ in crore)

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

(₹ in crore)

	Number of working days in the quarter	Average Q4 2022-2023		Average Q3 2022-2023		Average Q2 2022-2023		Average Q1 2022-2023	
		66		69		71		66	
	Particulars	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)		**94,801**		**87,406**		**84,712**		**86,305**
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:								
	(i) Stable deposits	35,145	1,757	34,061	1,703	33,190	1,660	32,115	1,606
	(ii) Less stable deposits	173,408	17,341	169,013	16,901	164,832	16,483	161,514	16,151
3	Unsecured wholesale funding, of which								
	(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	100,655	60,172	94,936	57,145	96,357	56,987	99,977	57,552
	(iii) Unsecured debt	1,378	1,378	601	601	952	952	564	564
4	Secured wholesale funding		3		3		1		-
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements	21,638	21,638	24,140	24,140	21,971	21,971	18,054	18,054
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	3,193	295	2,996	250	2,962	243	2,846	233
6	Other contractual funding obligations	5,489	5,489	5,699	5,699	6,146	6,146	6,166	6,166
7	Other contingent funding obligations	182,760	8,151	178,244	7,960	168,532	7,514	161,654	7,212
8	**Total Cash Outflows**		**116,224**		**114,402**		**111,957**		**107,538**
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	832	6	1,154	2	3,399	-	6,759	-
10	Inflows from fully performing exposures	41,759	34,406	44,710	38,186	43,046	35,970	38,180	31,511
11	Other cash inflows	809	405	1,067	534	1,663	832	2,243	1,122
12	**Total Cash Inflows**		**34,817**		**38,722**		**36,802**		**32,633**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	TOTAL HQLA		94,801		87,406		84,712		86,305
14	Total Net Cash Outflows		81,407		75,680		75,155		74,905
15	Liquidity Coverage Ratio (%)		116.45%		115.49%		112.72%		115.22%

b) Qualitative disclosure around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, SLR securities in excess of minimum SLR requirement and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31st March, 2024 was 124.92% which is above the regulatory requirement of 100%. For the quarter ended 31st 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 31st March 2024 amounting to ₹ 97.91 crore (previous year ₹ 72.40 crore). The Bank has recovered / expensed off / provided the entire amount where necessary.

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

(₹ in crore)

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

41. DIVIDEND

The Board of Directors of the Bank have a proposed a dividend of ₹ 2.00 per share having a face value ₹ 5 for the year ended 31st 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	31st March, 2024	31st 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 18th 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 22nd 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 11th November, 2020, the Bank has recognised the entire additional liability of ₹ Nil in the Profit and Loss Account during the year ended 31st 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:

(₹ in crore)

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

(₹ in crore)

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

B. OTHER DISCLOSURES:

1. EARNINGS PER EQUITY SHARE

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

2. SEGMENT REPORTING

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

(₹ in crore)

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

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

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

For March 31, 2024:

(₹ in crore)

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

3. LEASE DISCLOSURES

a. The Bank has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹ 661.70 crore (previous year ₹ 672.27 crore). The sub-lease income recognised in the Profit and Loss Account is ₹ 12.90 crore (previous year ₹ 11.21 crore).

b. The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹ 680.40 crore (previous year ₹ 573.38 crore), later than one year but not later than five years is ₹ 2,009.28 crore (previous year ₹ 1,575.85 crore) and later than five years ₹ 911.40 crore (previous year ₹ 770.25 crore).

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

4. DEFERRED TAXES

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

(₹ in crore)

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

5. PROVISIONS

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

a) Credit card & debit card reward points:

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

(₹ in crore)

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

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

b) Legal:

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Opening Provision	41.44	43.78
Add: Addition during the year	0.51	0.70
Less: Reduction during the year	(6.87)	(3.04)
Closing Provision	**35.08**	**41.44**

c) Fraud and Other Provisions:

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Opening Provision	39.02	42.19
Add: Addition during the year	26.80	4.78
Less: Reduction during the year	(19.83)	(7.95)
Closing Provision	**45.99**	**39.02**

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

(₹ in crore)

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

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

7. RELATED PARTY DISCLOSURES

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

A. Parties where control exists:

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

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

B. Other Related Parties:

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

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

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. However above includes transactions done on NDS with known related parties.*
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).*

Maximum Balance outstanding during the year

(₹ in crore)

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

Note:

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

8. EMPLOYEE SHARE BASED PAYMENTS

The Shareholders of the Bank had passed a Special Resolution in the General meeting dated 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. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22nd December, 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

Equity-settled options

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

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

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

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

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

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

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

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

31st March, 2024

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

31st March, 2023

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

Stock appreciation rights

At the General Meeting on 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. The Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1st December 2023 in place of SARs Scheme 2015. SARs Scheme 2015 is operational only to the extent of treatment of SARs granted till 30th November 2023.

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

Detail of activity under SARs is summarised below:

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

Fair value of Employee stock options

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

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

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

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

(₹ in crore)

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

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

9. EMPLOYEE BENEFITS

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

(₹ in crore)

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

ii. Gratuity

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

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

Investment details of plan assets

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

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

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

Actuarial assumptions used

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

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

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

Experience adjustments

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

(₹ in crore)

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

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

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

iii. Pension

Pension liability relates to employees of Eivbl

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

(₹ in crore)

Particulars	As at	
	31st March, 2024	31st March, 2023
	Funded	Funded
Change in benefit obligations		
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**
Change in plan assets		
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**

(₹ in crore)

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

(₹ in crore)

Particulars	As at	
	31st March, 2024	31st March, 2023
Reconciliation of the Liability recognized in the Balance Sheet	**Funded**	**Funded**
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 is 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	
	31st March, 2024	31st March, 2023
Discount rate	7.19% p.a.	7.39% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	7.50% p.a.	7.50% p.a.
Inflation	10.00% p.a.	10.00% p.a.

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

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

Experience adjustments

Amounts for the current year are as follows:

(₹ in crore)

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

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

iv. Compensated absences

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

(₹ in crore)

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

v. Long Service Award

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

(₹ in crore)

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

10. PROVISIONS AND CONTINGENCIES

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

(₹ in crore)

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

**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 of 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)

Details of CSR Expenditure	31st March 2024	31st March 2023
Amount of expenditure incurred*		
Contribution to Kotak Education Foundation	32.12	22.74
Contribution to Other Initiatives	87.61*	72.10
Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	111.08**	93.11
Other than ongoing project	Nil	Nil
Total	**230.81**	**187.95**
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
Amount spent during the year on		
(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:

(₹ in crore)

Financial Year	Balance as at 1st April		Amount required to be spent during the year	Amount spent during the year		Balance as at 31st March	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 23-24	-	-	218.39	107.31	-	111.08#	-
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 FY2023-24 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:

(₹ in crore)

Balance unspent as at 1st 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 31st March 2024
Nil	-	8.87	8.87	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:

(₹ in crore)

Balance excess spent as at 1st 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 31st March 2024
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 Expended-Others (Schedule 15(III)) includes interest on subordinated debt (Lower and Upper Tier II) ₹ Nil (previous year ₹ 21.33 crore).

14. DETAILS OF PAYMENTS OF AUDIT FEES

(₹ in crore)

Particulars	Year Ended	
	31st March, 2024	31st March, 2023
Statutory Audit fees	3.69	3.44
Other Matters	0.47	0.44
Total	**4.16**	**3.88**

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:

(₹ in crore)

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

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

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

18. The Bank has acquired 100% of the issued and paid up capital of Sonata Finance Private Limited, a Non-Banking Finance Company – Micro Finance Institution registered with the RBI for a total consideration of ₹ 537.12 crore. With this acquisition, Sonata has become a wholly owned subsidiary of the Bank w.e.f. 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 Crore ("Transaction"). Transaction would be subject to fulfilment of customary conditions precedent, including the receipt of regulatory approvals from the Reserve Bank of India and the Insurance Regulatory and Development Authority of India. Upon completion of the Transaction (subsequent to receipt of all requisite approvals), KGI will cease to be a Wholly Owned Subsidiary of the Bank.

20. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software except for six of the accounting software where audit trail has not been enabled at the database level to log any direct data changes. Also in respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit 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/W100621

Gautam Shah
Partner
Membership No. 117348

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

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

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

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

Directors' Report

To the Members,

KOTAK MAHINDRA BANK LIMITED

Your Directors have pleasure in presenting the Thirty-Ninth Annual Report of Kotak Mahindra Bank Limited ("Bank") together with the audited Financial Statements for the financial year ("FY") ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

(A) Consolidated* :

(₹ in crore)

	FY 2023-24	FY 2022-23^
Total Income	94,273.91	68,142.03
Total expenditure, excluding provisions and contingencies	68,438.06	48,056.17
Operating Profit	25,835.85	20,085.86
Provisions and contingencies, excluding provision for tax	1,972.47	439.68
Profit Before Tax	23,863.38	19,646.18
Provision for Taxes	5,886.55	4,865.74
Profit After Tax	17,976.83	14,780.44
Add: Share in Profit of Associates	236.38	144.57
Consolidated Profit for the Group	18,213.21	14,925.01
Earnings per equity share:		
Basic (₹)	91.45	74.96
Diluted (₹)	91.45	74.94

Notes:

* *The Financial Statements of the Indian subsidiaries (excluding insurance companies) and associates are prepared as per the Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015. The Financial Statements of the subsidiaries and associates used for preparation of the consolidated financial statements are in accordance with the Generally Accepted Accounting Principles in India ("GAAP") specified under Section 133 and relevant provisions of the Companies Act, 2013 ("Act").*

^ *Previous year amounts have been re-classified for consistency with the current year presentation, wherever necessary.*

(B) Standalone:

(₹ in crore)

	FY 2023-24	FY 2022-23^
Total Income	56,072.01	41,333.90
Total expenditure, excluding provisions and contingencies	36,484.56	26,485.92
Operating Profit	19,587.45	14,847.98
Provisions and contingencies, excluding provision for tax	1,573.73	456.99
Profit Before Tax	18,013.72	14,390.99
Provision for Taxes	4,232.14	3,451.69
Profit After Tax	13,781.58	10,939.30
Add: Surplus brought forward from the previous year	37,760.09	30,455.85
Amount available for appropriation	51,541.67	41,395.15
Less: Appropriations		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	3,445.40	2,734.83
Transfer to Capital Reserve	-	0.99
Transfer to Special Reserve	125.00	115.00
Transfer to Investment Reserve Account	831.63	-
Transfer to Investment Fluctuation Reserve Account	1,200.00	525.32
Transfer to Capital Redemption Reserve	500.00	-
Dividend paid **	336.62	258.92
Surplus carried to Balance Sheet	45,103.02	37,760. 09

Notes:

^ *Previous year amounts have been re-classified for consistency with the current year presentation, wherever necessary.*

** *The Bank has paid dividend at the rate of ₹ 0.405 per share (on a proportionate basis) on the Non-Convertible Perpetual Non-Cumulative Preference Shares ("PNCPS") for the period commencing from 1st April, 2023 to 13th March, 2024 (being the Extinguishment Date) for FY 2023-24 (Previous Year: ₹ 0.405 per share), to all PNCPS holders, as per the list of beneficial holders on the Record Date of 5th March, 2024. The Bank has complied with all criteria specified in the Reserve Bank of India ("RBI") circular dated 4th May, 2005 on payment of dividend on equity shares and the Board of Directors of the Bank have proposed a dividend of ₹ 2.00 per share (Face Value ₹ 5/-) for FY 2023-24 (previous year: ₹ 1.50 per share) from the profits for FY 2023-24. As per the requirements of revised AS 4 – 'Contingencies and Events Occurring after the Balance Sheet Date', this dividend pay-out is appropriated from the amount available for appropriation in the year of pay-out.*

FINANCIAL PERFORMANCE

On a standalone basis, Profit After Tax ("PAT") of the Bank was ₹ 13,781.58 crore in FY 2023-24 compared with ₹ 10,939.30 crore in FY 2022-23. Net Interest Income ("NII") of the Bank for FY 2023-24 was ₹ 25,993.20 crore as against ₹ 21,551.92 crore in FY 2022-23.

The consolidated PAT was ₹ 18,213.21 crore in FY 2023-24 compared with ₹ 14,925.01 crore in FY 2022-23. Further, the Group had a Net Worth of ₹ 129,892.40 crore as on 31st March, 2024 (₹ 111,754.10 crore as on 31st March, 2023). The book value per equity share was at ₹ 653.41 as on 31st March, 2024 (₹ 562.55 as of 31st March, 2023).

Further details about the financial performance of your Bank are available in the Management's Discussion and Analysis Report, annexed to this Report.

CAPITAL

During the year, your Bank allotted 1,364,316 equity shares arising out of the exercise of Employees Stock Options granted to the Executive Directors and Eligible Employees of your Bank and its subsidiaries.

After the allotment of the aforesaid equity shares, the total issued, subscribed and paid-up share capital of your Bank as at 31st March, 2024 stood at ₹ 9,939,604,490/- comprising 1,987,920,898 equity shares of ₹ 5/- each.

As approved by the Board of Directors, your Bank had exercised the 'Call Option' available on 1,000,000,000, 8.10% Perpetual Non-Cumulative Preference Shares of the face value of ₹ 5/- each ("PNCPS"), at par, for extinguishment of PNCPS. The payment of the Call Option Price on the PNCPS and the divided declared thereon was done on 13th March, 2024, to the eligible PNCPS holders. Upon such payment, the PNCPS issued by your Bank, stood extinguished. Accordingly, your Bank created Capital Redemption Reserve of ₹ 500 crore, out of the profits available for appropriations.

DIVIDEND

The Board of Directors of your Bank had, at their meeting held on 4th May, 2024, recommended a dividend of ₹ 2.00 per equity share for FY 2023-24. The dividend, if approved by the members, would entail a pay out of approximately ₹ 397.59 crore based on the capital as of 29th June, 2024 (Previous Year: ₹ 298 crore). The dividend would be paid to all the eligible equity shareholders, whose names would appear in the Register of Members/List of Beneficial Owners on the Record Date fixed for this purpose i.e. 19th July, 2024.

Further, the Board of Directors of your Bank, on 22nd February, 2024, declared a dividend on PNCPS of the face value of ₹ 5/- each, issued by the Bank, carrying a dividend rate of 8.10% p.a., to be paid on a pro-rata basis for the period commencing from 1st April, 2023 to 13th March, 2024 (being the Extinguishment Date) for FY 2023-24, as per the terms of issuance of PNCPS. This has entailed a dividend pay out of ₹ 38.51 crore (Previous Year: ₹ 40.50 crore).

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as reviewed and adopted by the Board of Directors of your Bank, is available on the Bank's website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/policies.html

DEBENTURES AND BONDS

Your Bank has not issued any capital under Tier II during FY 2023-24.

During the year under review, your Bank has allotted Senior Unsecured Rated Listed Redeemable Long Term Bonds in the nature of Non-Convertible Debentures ("Bonds") amounting to ₹ 1,895 crore on 23rd June, 2023 and ₹ 1,000 crore on 14th February, 2024. As of 31st March, 2024, outstanding Bonds aggregated ₹ 4,845 crore. All the Bonds have been issued on a private placement basis and are listed on BSE Limited ("BSE")/National Stock Exchange of India Limited ("NSE").

CAPITAL ADEQUACY RATIO

Your Bank has a Capital Adequacy Ratio of 20.55% as of 31st March, 2024 under Basel III, with Tier I Capital being 19.25% (of which, Common Equity Tier 1 Capital is 19.25%).

CREDIT RATINGS

The details of all credit ratings obtained by your Bank for various instruments, including debt instruments outstanding as on 31st March, 2024, are disclosed in the Report on Corporate Governance, annexed to this Report.

DEPOSITS

Being a banking company, the disclosures required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Act, are not applicable to your Bank.

RESERVE BANK OF INDIA ORDER DATED 24TH APRIL, 2024

Your Bank had received an order dated 24th April, 2024 ("Order") from RBI, *inter alia*, directing the Bank to cease and desist, with effect from 24th April, 2024 from (i) on-boarding 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 RBI in the Information Technology ("IT") Examinations of the Bank, for the years 2022 and 2023.

The Order does not impact servicing and cross-sell of products (excluding issuance of fresh credit cards) to the existing customer base through all channels and does not impact on-boarding of new customers through channels other than online/mobile banking channels.

Your Bank has taken concrete steps to adopt new technologies to strengthen its IT systems and continues to work with RBI to swiftly resolve the issues, at the earliest.

The management has evaluated the impact of the Order and assessed that there is no impact on the going concern and has no material impact on financial statements, including internal financial controls over financial reporting and on its operations.

OPERATIONS

CONSUMER BANKING

The Consumer Banking business services a wide spectrum of customers across domestic individuals and households, non-residents, small and medium business segments, for a range of products from Savings and Current Accounts to Term Deposits, Credit Cards, Unsecured and Secured Loans, Working Capital, Digital Payments, Insurance Protection and Investments.

As of 31st March, 2024, your Bank had 1,948 branches, 3,291 Automated Teller Machines ("ATMs") and Recyclers and 4,435 Micro ATM installations.

ActivMoney, a two-way auto sweep facility, was re-launched and re-positioned as a tool for smarter money management, aiding higher income and liquidity. It also allows flexibility to access funds anytime and offers attractive interest rates on Fixed Deposits and waiver of penalty in case of pre-closure.

The additional rate of interest on fixed deposits for senior citizens was increased for a few select long-term tenors, for (i) deposits below ₹ 2 crore and (ii) bulk deposits i.e. ₹ 2 crore to less than ₹ 5 crore.

With a vision to provide exclusivity to your Bank's premium customers, Privy League, a flagship programme for High Net Worth customers was re-launched in FY 2023-24. The programme entails multiple first-of-its kind experiences namely Debit Card with unique and exclusive designs, access to luxury concierge, multiple lifestyle discounts and membership on favourite categories such as dining and travel.

Your Bank is continuously working towards improving digital synergies to enhance overall customer experience during onboarding.

Your Bank has successfully integrated the investment process through Kotak Cherry, with the savings on-boarding journey, enabling customers with an option to activate seamless Investments in Mutual Funds, including Systematic Investment Plans ("SIP"). Easy and convenient transaction process from Kotak Cherry has led to growth in SIP registration.

Mirroring some of the initiatives in the Privy Savings Account space, new variants of Debit Cards have been introduced to deliver superior features and experience to customers, namely, Privy Neon Card, Privy Platinum LED Card and Privy Black Metal Card.

A digital journey for current account opening for small businesses has been launched, which has opened up a new avenue for online bank account opening backed by a convenient and paperless experience. This journey also offers an online current account with a pay-as-per-usage feature and a free QR code.

Further, the Global Service Account proposition, a current account specially designed to meet the unique banking needs of the Service Export Sector, has also been launched.

Kotak Start-up Current Account was re-launched with enhanced features such as preferential trade and forex pricing, specially curated offers and much more to help start-ups in their entrepreneurial journey.

Your Bank has also received the 'Receiving Office License' for mobilisation in Government of India Floating Rate Savings Bonds (FRSB) 2020 (Taxable) or RBI Bonds in FY 2023-24, which is a popular investment instrument amongst retail investors and has an attractive rate of interest and high credibility. The investment process in RBI Bonds is digitised, through which the customers can login to net banking and invest in RBI Bonds seamlessly.

To strengthen the Corporate Salary proposition, a wide array of exclusive benefits like complimentary protection benefits, free credit card and lifetime zero charges to customers are offered by your Bank. The said account has been designed for corporate professionals, providing a gamut of attractive deals and services across lifestyle, travel, healthcare and dining. During the year, your Bank has invested heavily on consumer research to garner critical understanding of latent consumer needs and is, amongst others, building customer-centric value propositions for microsegments within the salaried customer base. In order to facilitate larger acquisition of premium customers, a new salaried offering was created with insurance protection benefits and greater focus on a specialized proposition for the women workforce.

The remit platform, which facilitates customers to digitally remit money abroad has become one of the primary modes of such transactions. This, along with centralized processing of all other outward remittances, has improved operational efficiency and enhanced the execution Turn Around Time (TAT). Your Bank has forged successful strategic partnerships with multiple brokers to facilitate international investment and has enabled Kotak GIFT City and Dubai International Finance Centre ("DIFC") on their remit platform. This would further facilitate individual customers to remit funds with ease for capital investments abroad.

During the year, your Bank enabled the bundling of a Cyber Insurance policy along with the digital Kotak811 account on-boarding journey. With regard to life insurance, customized propositions targeting various segments and persona were created.

In line with its customer first objective, Relationship Manager ("RM") 'e-Konnect', platform was launched, which facilitates customers to seamlessly connect with their RMs. This omni-channel interface enables the Privy League Black customers to interact with their RM and Service Manager over chat, voice or video calls, in a secure environment through Internet Banking or the Mobile Banking app.

From 2021, Kotak811 operates as a 'Semi-Autonomous' Digital Bank within your Bank, with additional focus on service, user experience, engagement and cross-selling.

Your Bank also offers bulk tax payment solution using Net banking and Host-to-Host channel for payment of Direct Taxes. This has provided ease to Corporate and Small and Medium Enterprises ("SME") clients for quicker tax payments using seamless digital journey and enhanced customer experience. As digital transactions are being encouraged and scaled up across ecosystems, your Bank is making strides into opening a plethora of options to further ease tax-paying journey for the tax payers.

A 'Net Banking Lite platform' has been launched for accessing Net Banking from Mobile Devices. It has also improved the Scan and Pay option with new features such as gallery upload, generate QR, etc., underpinned by enhanced technology.

Your Bank launched Myntra Kotak co-brand credit card in FY 2023-24, catering to rising trend of lifestyle purchases among Millennials and GenZ customers. The value proposition on the existing PVR card was enhanced by upgrading the same to PVR-INOX card, which would now provide offers across both PVR and INOX movie screens.

Your Bank continues its focus on building the human capital, by nurturing talent and building human capital, leveraging technology and expertise.

KAIRA, the internal employee response agent, has Artificial Intelligence (AI) integrated into the information and knowledge retrieval processes, making it easier for employees to access the right information at the right time. This helps to improve the information management, enhancing efficiency and ultimately delivering a superior customer experience.

Kotak Learning and Performance Partner (KLAPP) was further enriched with enabling tools to aid the frontline customer facing staff of your Bank to offer customised solutions to the customers on investments and current accounts.

COMMERCIAL BANKING

Your Bank's Commercial Banking business focuses on meeting the banking and financial needs of various segments, with specialised units offering financial solutions in the areas of Commercial Vehicles ("CV"), Construction Equipment ("CE"), Tractor and Farm Equipment ("Tractor"), SMEs operating in the Agriculture Value Chain and Microcredit. Majority of the customers to whom this business caters, are from the semi-urban and rural area segment, forming part of the priority sector. This business plays a significant role in meeting the financial inclusion goals by financing deep into 'Bharat'.

The Agriculture Value chain segment saw volatility across multiple commodities and incremental risks on account of extreme weather, regional conflicts and general elections. These factors continue to hamper limit utilizations, leading to a muted growth in your Bank's advances. A more selective and cautious approach in the choice of business in this segment has been adopted by your Bank, considering the continuing aggressive appetite of the lenders. Overall collections and recoveries in the segment have improved during the year. Your Bank's focus has been to improve processes to reduce the turn-around-time for on-boarding new clients. New initiatives taken for the small-ticket agriculture loans to farmers in the dairy and other sectors have started showing initial traction. The entire process of on-boarding new customers under this model is digital (RM assisted).

During the year, your Bank acquired Sonata Finance Private Limited ("Sonata"), a Non-Banking Finance Company – Micro Finance Institution, registered with the RBI, which became a subsidiary of the Bank, with effect from 28th March, 2024. Your Bank is on track to leverage its outreach and cater to the requirements of its increasing customer base.

Gold loan industry in India experienced a healthy growth of over 25%, driven by factors such as increased gold prices and the need for quick, collateral-based financing solution. Your Bank is now offering gold loans from over 600 branches i.e. approximately 30% of its total branch network.

Your Bank's Crop Loan Non-performing asset ("NPA") recovery and portfolio quality improved as compared to the last year, due to better resolution and collection focus.

The RBI guidelines on priority sector lending require banks to lend 40% of their Adjusted Net Bank Credit ("ANBC"), to fund certain types of activities carried out by specified borrowers. The shortfall in the amount required to be lent to the priority sectors and weaker sections may be required to be deposited in funds with government sponsored Indian development banks, such as the National Bank for Agriculture and Rural Development, the Small Industries Development Bank of India, the National Housing Bank, MUDRA Ltd. and other financial institutions as decided by the RBI from time to time.

As prescribed in the RBI guidelines, the Bank's priority sector lending achievement is computed on a quarterly average basis. Total average priority sector lending for FY 2023-24 was ₹ 121,619.65 crore (FY 2022-23: ₹ 114,217.85 crore), constituting 44.06% (FY 2022-23: 48.80%) of ANBC, against the requirement of 40% of ANBC.

WHOLESALE BANKING

Your Bank's Wholesale Banking business caters to a wide range of corporate customer segments, including major Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, financial sponsors (including private equity funds and foreign portfolio investors), new-age companies, SME and realty businesses. It offers a comprehensive portfolio of products and services to these customers, including working capital finance, medium-term finance, project finance, trade and supply chain finance, foreign exchange services, other transaction banking services, custody services, debt capital markets and treasury services.

Your Bank has, over the years, invested in developing expertise and forming Centre-of-Excellence in areas, such as Structured Lending, Infrastructure Financing, Real Estate Financing, Financial Services and Custodial Services, amongst others. Your Bank seeks to leverage on this expertise to deepen existing relationships and acquire new quality customers on a consistent basis and secure value addition through cross-sell of varied products and services.

Your Bank's structuring expertise has been leveraged to deliver customized solutions and improve returns.

The Custody and Clearing business continued on a growth trajectory on the back of a robust domestic growth and returning confidence in the Foreign Portfolio Investors. With vibrancy in Indian Stock Markets, your Bank expects the business growth in this segment to continue in the coming year.

Your Bank's robust growth in its SME business has resulted in a granular and sticky Micro, Small and Medium Enterprise ("MSME") asset base, which is expected to grow rapidly.

During the year, your Bank has continued to excel in its journey towards becoming a leading player in the digital banking space. Your Bank's relentless focus on integrating advanced technology into banking operations has not only enhanced customer experience, but also strengthened business continuity practices. Your Bank's commitment to digital innovation has kept the Bank at the forefront of banking transformation, allowing it to stay competitive and meet the evolving needs of the customer.

Your Bank offers a comprehensive product portfolio, including a diverse range of financial products under Cash Management Services and Trade. In the payments technology stack, enhanced focus is on UPI stability along with strategic initiatives, including Merchant Management system. A new payments platform has been introduced, enhancing customer User Interface/User Experience and increasing transaction processing speed significantly. Your Bank has witnessed four times growth in tax payments from the platform. It is focused on ensuring operational resilience and offering structured solutions to meet client specific requirements. In the Collections stack, your Bank has enhanced its NACH tech stack on scalability, resiliency and faster settlements. Along with this, customer experience has also been enhanced by building and scaling the product portfolio. In the Acquiring business, your Bank is helping merchants accept transactions from foreign card holders. The aim is to grow this offering further in the coming year. Your Bank has also seen a significant increase in market share in the capital market and IPO transactions with specialized processing teams and enhanced focus on regulatory compliance.

Kotak fyn, your Bank's leading digital initiative for business, has been ensuring accessibility and convenience to customers. Fyn is the comprehensive corporate banking portal for corporate customers. In the dynamic environment today, where customer requirements keep changing, fyn has been developed alongside these requirements. Offerings on the portal have been enhanced to make it easy for customers to lodge transactions in bulk. The portal can also be seamlessly integrated with the customer's SAP/ERP systems using Host-to-host functionality, making it easy for customers to initiate transactions. This year, fyn was also launched as a mobile application, making it easy for checkers and authorizers to approve transactions.

Alongside fyn, your Bank went live with many initiatives to digitize the trade journey for customers. One such initiative is the electronic Bank Guarantees (eBGs) launched in partnership with National E-Governance Services Limited (NeSL). This initiative digitizes the Bank Guarantee process making it a paperless process and reducing TATs by nearly 70%. Supply chain finance business grew significantly last year and your Bank is seeing high traction on these assets. Your Bank's digital offering is able to provide linkages capabilities with counterparties and enable seamless financing including auto settlement.

Your Bank remains committed to building a high-quality differentiated corporate franchise and continues to focus on maintaining the health and profitability of the business.

PRIVATE BANKING

Your Bank's Private Banking division caters to a number of distinguished Indian families and is one of the oldest and the most respected Indian private banking institution. It manages wealth for 58% of India's top 100 families (Source: Forbes India Rich List 2023), with clients ranging from entrepreneurs to business families and professionals.

Your Bank provides an open architecture proposition to its customers, offering a plethora of private banking products. This business has a strong distribution capability for private clients through distribution/referral model across equities, fixed income and alternates catering to Ultra High Net worth Individuals ("UHNI") and High Net worth Individual ("HNI") investors. In addition to comprehensive financial solutions that go beyond investments, your Bank provides banking and credit, consolidated reporting, family office services, offshore investments and other various products and services to its clients. Referral for estate planning services are also provided to the clients. With an in-depth understanding of client requirements and expertise across various asset classes, your Bank offers the widest range of financial solutions. Your Bank has added approximately 2,280 new families in FY 2023-24, to its client base.

The Private Banking division of your Bank has made significant investments in digital and technology, recognizing them as crucial pillars for future growth. Your Bank strived to enhance its offerings through continuous innovation in platform, proposition and cutting – edge technologies. This, in turn, helps to enrich client experience across all touchpoints. Your Bank is leveraging data analytics to anticipate client trends and segmentation, which is essential for providing personalized and tailored services and to maximize its resource utilization effectively.

INTERNATIONAL BANKING UNITS

Your Bank has two International Banking Units ("IBUs") based at Gujarat International Finance Tec-City ("GIFT City"), Gandhinagar, Gujarat and DIFC, Dubai, United Arab Emirates.

The GIFT City Branch is regulated by the International Financial Services Centre Authority (IFSCA), which facilitates your Bank's participation in syndication of overseas loans, lending to clients in international markets and providing External Commercial Borrowing to eligible Indian corporates. Your Bank also undertakes offshore client's forex and derivative transactions to help them with the management of interest rate and currency risks, in addition to investments in offshore bonds.

The DIFC Branch is your Bank's first overseas branch at Dubai, regulated by the Dubai Financial Services Authority ("DFSA"). This Branch complements your Bank's ability to advise and arrange global investment products, provide loans and accept deposits from its overseas private banking customers that qualify under the Professional client criteria of the DFSA. Your Bank has developed capabilities to advise and arrange global investments through this Branch. The Branch also has tie-ups with some leading names in the international investments space and arranges access to their services to eligible customers of the Branch.

The IBUs have their respective treasuries which not only manage regulatory requirements and liquidity buffers viz., Liquidity Coverage Ratio (LCR), etc., but also offer banking services through products like term credit facilities for various purposes, trade finance, foreign exchange solutions, etc.

ASSET RECONSTRUCTION

Your Bank's Asset Reconstruction Division looks at opportunities and takes exposure in distressed/NPA accounts through Security Receipts ("SR") investments, Stressed/NPA portfolio buyout from other banks, priority funding and working capital assistance, with an aim to resolve and turn them around. Your Bank has been active in the distressed asset buyouts and investments space for almost two decades.

The resolution process has gained momentum with various judicial forums Debt Recovery Tribunals (DRTs), Debt Recovery Appellate Tribunals (DRATs), High Courts and National Company Law Tribunal (NCLT) proceedings under the Insolvency and Bankruptcy Code, 2016. Your Bank adopts various measures thoughtfully, diligently and with compassion to resolve the stressed and bad accounts.

Your Bank did sizable investments, both in corporate and retail stressed assets space in FY 2023-24 and expects a lot of opportunities in the acquisition side, especially in retail stressed loans segment in the coming years. If the prices offered are reasonable and attractive, your Bank shall be open to acquire several of them, post critical analysis and evaluation.

TREASURY

Your Bank's Treasury actively contributes by way of:

(i) Balance Sheet Management: The Balance Sheet Management Unit ("BMU") ensures maintenance of regulatory reserves and adequate liquidity buffers and requisite investments. The BMU also manages interest rate and liquidity risk, within the overall risk appetite of your Bank.

(ii) Proprietary Trading: The Proprietary Trading Desk actively trades in products, such as Fixed Income Securities, Money Markets, Derivatives, Foreign Exchange and Equity. The Proprietary Desk also helps in interbank access to teams servicing customer requirements. The Primary Dealer Desk, which is a part of the Proprietary Trading Desk, actively participates in primary auctions of Government securities, makes market in Government securities and engages in retailing of Government securities.

(iii) Customer Transactions: The customer facing desks at the Treasury assist and manage customer transactions across Foreign Exchange, Derivatives and Bullion products. The Forex and Derivatives Desk facilitates customer access to foreign currency markets through cash and derivatives products for remittances, trade transactions and for managing Foreign Exchange and Interest Rate risks.

(iv) Bullion: The Bullion desk provides efficient working capital solutions to domestic jewellery manufacturers as per the prescribed rules of the RBI. Your Bank also imports gold and silver to meet the needs of customers, under a license received from the RBI.

For more details on Operations of your Bank, please refer to the Management's Discussion and Analysis Report, annexed to this Report.

HUMAN RESOURCES

FY 2023-24 was a year that saw significant changes and elevated actions around building the enhanced employee experience and nurturing one of the greatest assets of your Bank i.e. Our People. Through a multitude of strategic initiatives, the Human Resources ("HR") function of your Bank implemented various initiatives to revamp HR processes, policies, systems and aligning them with evolving business needs. The efforts spanned a wide spectrum from fortifying employee engagement, launching health and wellness programs to centralizing HR processes.

Key HR initiatives taken by your Bank were, as under:

(i) Health and Wellness

(ii) Leadership and Manager Connect

(iii) Diversity and Inclusion

(iv) Employee Experience

(v) Kotak Young Leaders Council

(vi) My Kotak My Say

(vii) Employee Development

(viii) Talent Management

(ix) Caring Kotakite (Employee Volunteering)

For more details on the Key HR intiatives, please refer to the Management's Discussion and Analysis Report, annexed to this Report.

EMPLOYEES

As of 31st March, 2024, the full-time employee strength of the Kotak Group was over 116,000 and the Bank, at the standalone level, had over 77,900 employees.

The information required pursuant to Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time-to-time, is given as an Annexure to this Report. Further, the statement containing particulars of employees as required above is given as an Annexure and forms part of this Report. In terms of Section 136(1) of the Act, the annual report and the financial statements are being sent to the members, excluding the aforesaid Annexure. The Annexure is available for inspection and any member interested in obtaining a copy of the Annexure, may send an email to the Company Secretary at KotakBank.Secretarial@kotak.com

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

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

As of 1st April, 2023, 12 complaints were pending for disposal. All these complaints were disposed off during FY 2023-24.

The Bank received a total of 45 complaints during FY 2023-24, of which, 28 were disposed off as of 31st March, 2024. All the 17 complaints which were pending as on 31st March, 2024, have been disposed off, as on the date of this Report.

PROHIBITION OF INSIDER TRADING

Your Bank has adopted the Kotak Mahindra Bank Limited - Insider Trading Code of Conduct ("Code") for prohibition of insider trading in the securities of the Bank as well as other listed and proposed to be listed companies and a code of practices and procedures for uniform and universal dissemination of unpublished price sensitive information ("Fair Disclosure Code").

Your Bank has also formulated and adopted the Policy for Determination of Materiality of Events or Information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. The Policy for Determination of Materiality of Events/Information and the Code of Practices and Procedures for Fair Disclosure of UPSI of the Bank, is available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html [1]

WHISTLE BLOWER POLICY[1]/VIGIL MECHANISM

Your Bank is committed to its 'Vision Statement' of upholding its Global Indian Financial Services Brand, creating an ethos of trust across all constituents, developing a culture of empowerment and a spirit of enterprise, thereby becoming the most preferred employer in the financial services sector.

Consistent with the Vision Statement, your Bank is committed to maintain and provide to all its employees and directors, the highest standards of transparency, probity and accountability. The Kotak Group endeavours to develop a culture where it is safe and acceptable for all employees and directors to raise/voice genuine concerns in good faith and in a responsible as well as effective manner.

A vigil mechanism has been implemented through the adoption of a Whistle Blower Policy with an objective to enable employees/directors/suppliers/vendors/service providers/all other applicable stakeholders, raise genuine concern or report evidence of activity by the Bank or its employee or director or vendor that may constitute instances of corporate fraud, unethical business conduct, a violation of Central or State laws, rules, regulations and/or any other regulatory or judicial directives, any unlawful act, whether criminal or civil, irregularities like alteration, forgery or fabrication of documents, impropriety, abuse or wrong doing, misuse of office/position, theft/embezzlement, misappropriation of asset, bribery/corruption, collusion with vendor/customers,

[1] GRI 2-23

deliberate breaches and non-compliance with the Bank's policies, processes, data leakage, questionable accounting/audit matters/financial malpractice, ethics violation, conflict of interest, dual employment and unauthorised disclosure of confidential information about the Bank or any of its customers. The concerns can be reported online on the following website viz., URL: https://www.speakup.co.in/ which is managed by an independent third party. Safeguards to avoid discrimination, retaliation or harassment and confidentiality have been incorporated in the said policy.

All employees and Directors have access to the Chairperson of the Audit Committee in appropriate and exceptional circumstances. Further, the Chairperson of the Audit Committee has access rights to the whistle blower portal. The Audit Committee reviews a synopsis of the complaints received and the resolution thereof, every quarter under the said Policy.

Your Bank is taking several initiatives to encourage employees to blow the whistle and report incidences of any fraud or unusual events. During the year under review, your Bank has initiated periodic email campaigns for educating employees on the process of whistle blowing, creating awareness and encouraging employees to blow the whistle and report incidences of any concerns. In addition, the same has been reiterated and made an integral part of your Bank's Code of Conduct and training.

The Policy is available on the Bank's intranet as well as website viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

EMPLOYEE STOCK OPTIONS AND STOCK APPRECIATION RIGHTS SCHEMES

During FY 2023-24, after receiving requisite approvals, the Board implemented the Kotak Mahindra Equity Option Scheme 2023 ("ESOP Scheme 2023") in place of the existing Kotak Mahindra Equity Option Scheme 2015 ("ESOP Scheme 2015"). The Board also implemented Kotak Mahindra Stock Appreciation Rights Scheme 2023 ("SARs Scheme 2023") in place of the existing Kotak Mahindra Stock Appreciation Rights Scheme 2015 ("SARs Scheme 2015").

The objective of both the schemes is to enable the Bank and its subsidiaries to attract and retain appropriate human talent and encourage value creation and value sharing with the employees by aligning the interests of the employees with the long-term interests of the Bank and its subsidiaries. The appreciation of rights under SARs Scheme 2023 are settled in cash.

The Employee Stock Options ("ESOPs") and Stock Appreciation Rights ("SARs") granted to the employees of the Bank and its subsidiaries currently operate under the following Schemes:

(i) ESOP Scheme 2023;

(ii) ESOP Scheme 2015;

(iii) SARs Scheme 2023; and

(iv) SARs Scheme 2015

During the year under review, the Bank granted ESOPs and SARs to the eligible employees of the Bank and its subsidiaries, in accordance with the respective schemes, from time to time. No new grants were made under the ESOP Scheme 2015 and SARs Scheme 2015, after the ESOP Scheme 2023 and the SARs Scheme 2023, became effective on 22nd December, 2023 and 1st December, 2023, respectively.

The aforesaid schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations, 2021"), as applicable. No material changes were made to these schemes during the year under review.

The relevant details of the aforesaid schemes, as required under the SEBI (SBEB & SE) Regulations, 2021, are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html These details, along with the certificate(s) from the Secretarial Auditor, as required under the SEBI (SBEB & SE) Regulations, 2021, stating that the schemes have been implemented in accordance with the SEBI (SBEB & SE) Regulations, 2021, as applicable and also in accordance with the relevant resolution(s) passed by the members, would be available for inspection by the members during the Annual General Meeting ("AGM").

ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES

In the financial and banking industry, Environment, Social and Governance Practices ("ESG") has become a critical area of focus and your Bank endeavours to continually improve its ESG performance. Your Bank has a robust ESG policy framework which articulates ESG focus areas and provides guidance for ESG practices such as corporate governance, environmental and employee related initiatives, policy revisions and other ESG related projects undertaken. There is an ESG taskforce comprising representatives from relevant functions and subsidiaries to enable implementation of the framework. This taskforce plays a critical role in recording and providing data on various ESG parameters which is subsequently collated, analysed and reported and the ESG performance is reported to the Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR & ESG Committee") and the Board, periodically. Your Bank adheres to the highest standards of corporate governance, which includes disclosure, transparency, accountability and responsiveness. Details of some existing policies aligned to ESG principles have been provided in the BRSR section of the Annual Report for FY 2023-24.

The coverage of ESG disclosures on the operational environmental footprint and employee count has been extended to cover all locations where your Bank and its subsidiaries operate, except Sonata Finance Private Limited, which was acquired recently in March 2024. Your Bank emphasises on integration of ESG in its core business practices. Details of environmental management, employee diversity, well-being and development, financial inclusion and community focused interventions, customer experience and data privacy are covered in the ESG sections of the Integrated Annual Report. During FY 2023-24, your Bank has undertaken climate change risk assessments to understand impacts of climate on its portfolio (exposure to one more sector) and its operations. For details on the same, please refer to the ESG disclosures in the Integrated Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report ("BRSR") showcases ESG performance with enhanced transparency and focuses to quantifiable metrics by providing essential and voluntary indicators rather than qualitative and subjective metrics. Your Bank has been publishing the BRSR since FY 2021-22, endeavouring to be at the forefront of sustainability reporting by being an early adopter of BRSR.

In July 2023, SEBI made a further amendment to the provisions of SEBI Listing Regulations by introducing BRSR Core for listed entities and mandating reasonable assurance for it. The BRSR Core comprises key performance indicators under nine ESG attributes, which are a sub-set of the BRSR format and is subject to undergo reasonable assurance. Your Bank has undertaken reasonable assurance for BRSR Core parameters for FY 2023-24.

The Bank's disclosure on environmental performance covers aspects such as resource usage (energy and water), Greenhouse Gas (GHG) emissions (Scope 1, 2 & 3) and waste disposed. Disclosure on social aspects covers the workforce diversity (gender and differently abled employees), turnover rates, median wages, occupational health and safety, training, inclusive development (procurement from MSMEs and job creation in smaller towns), community development and customer centric approach, etc., while governance related performance covers ethics, transparency and accountability, respecting the interests of and being responsive to all its stakeholder, respect and promote human rights, engage in influencing public and regulatory policy in a responsible and transparent manner and engage with and provide value to their consumers in a responsible manner. Further details on the governance aspect can be referred to in the Report on Corporate Governance, annexed to this Report.

BRSR, including the BRSR Core parameters for FY 2023-24, is part of the Integrated Annual Report of the Bank and is also available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html

CORPORATE SOCIAL RESPONSIBILITY

Your Bank has undertaken socially impactful Corporate Social Responsibility ("CSR") Projects for welfare and sustainable development of the population at large, in accordance with the guidelines and robust mechanism laid out in the Kotak Mahindra Bank Limited's Corporate Social Responsibility Policy ("CSR Policy"). Your Bank has collaborated with implementing agencies across to implement projects in the CSR focus areas defined under its CSR Policy viz., Education & Livelihood, Healthcare, Environment & Sustainable Development, Sports and Relief & Rehabilitation.

Your Bank's CSR Policy sets out its vision, mission, governance and CSR focus areas to fulfill its inclusive agenda across many geographies of India. The Policy also highlights your Bank's intent to contribute towards the economic, environmental and social growth of the nation and also reflects the organization's commitment to contribute towards United Nation's ("UN") Sustainable Development Goals ("SDGs"). Your Bank has enhanced its CSR footprint in accordance with the guidelines led out in the CSR Policy, by focusing on sustainable, scalable and perceptible CSR Projects, spreading in focused geographies and aligning to SDGs and the national narrative. Your Bank's CSR Policy is available on the Bank's website viz., : https://www.kotak.com/en/about-us/corporate-responsibility.html

Your Bank's CSR Projects are compliant with the CSR mandate as specified under Section 135 read with Schedule VII of the Act along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time and in line with notifications issued by the Ministry of Corporate Affairs ("MCA"), from time to time.

The CSR expenditure requirement of your Bank for FY 2023-24 as per Section 135 of the Act and the CSR Rules, as amended from time to time, was ₹ 230.24 crore. After setting-off ₹ 1.42 crore from the excess CSR expenditure spend for FY 2022-23, your Bank's total CSR obligation for FY 2023-24 was ₹ 228.82 crore. As against this, the CSR expenditure of your Bank for FY 2023-24 was ₹ 230.81 crore.

For FY 2023-24, your Bank's spend on CSR Projects was ₹ 116.17 crore, amount spent as CSR Administrative Overheads was ₹ 2.99 crore and the amount spent on Impact assessment was ₹ 0.56 crore. An amount of ₹ 111.08 crore which was on account of the unutilised CSR Project expenditure of Ongoing CSR Projects for FY 2023-24, has been transferred to the 'Kotak Mahindra Bank Limited Unspent CSR Account FY 2023-24', in April 2024. Your Bank is committed to utilise the aforesaid amount within the stipulated period of three years i.e. from 1st April, 2024 to 31st March, 2027, towards completion of the Board approved Ongoing CSR Projects.

Together with the CSR Project spend, impact assessment, administrative overheads and amount transferred to Unspent CSR account, the total CSR expenditure for FY 2023-24 was ₹ 230.81 crore, which is in excess by ₹ 1.99 crore over the total CSR obligation for FY 2023-24.

The excess CSR expenditure spend of ₹ 1.99 crore for FY 2023-24 is being carried forward to three succeeding financial years and would be available for set-off in those financial years. The details are more particularly described in the Annual Report on CSR activities for FY 2023-24, annexed to this Report.

Your Bank also maintains the Unspent CSR accounts pertaining to funds earmarked for its Ongoing CSR Projects for the previous financial years. Details of the same are provided in the Annual Report on CSR activities for FY 2023-24, annexed to this Report.

Your Bank is committed to utilise the amount available in Unspent CSR accounts towards completion of the Board approved Ongoing CSR Projects within the stipulated time limit specified under the Act. The details of the same are more particularly described in the Annual Report on CSR activities for FY 2023-24, annexed to this Report.

A brief outline of the CSR Policy, the composition of the CSR & ESG Committee and the CSR Project spends during the year under review, have been provided in detail in the Annual Report on CSR activities annexed to this Report and also in the BRSR section of the Annual Report for FY 2023-24.

TECHNOLOGY AND DIGITISATION

Your Bank has made noteworthy advancements in the areas of Growth & Transformation and Risk & Resiliency, which have resulted in a number of projects being executed across these two themes. It has led the way in embracing digital innovation and top-tier engineering talent to provide customer-centric solutions and operational excellence, in a time when technology is changing the banking industry.

On Risk & Resiliency, your Bank has shown significant improvement in uptime and stability metrics for critical applications. Architecture review board is now in place and Cloud 2.0 architecture blueprint with best practices for information security and operational resiliency is functional for all new initiatives. Your Bank has invested in and implemented an enterprise service management tool for asset & inventory management and change management.

On the theme of Grow & Transform, various customer journeys were launched in the Consumer and Commercial Banking businesses, including journeys for small business loans, top up loans and corporate salary customers. Additionally, your Bank hired more than 500 highly qualified and experienced engineers to strengthen its technological foundation.

In order to improve customer service, the legacy tool has been replaced with a state-of-the-art platform called K Force, which has resulted in notable gains in customer feedback and responsiveness.

Your Bank will continue to invest to fortify its IT systems. The primary focus is on accelerated execution of the comprehensive plan for core banking resilience, continued demonstration of sustainable compliance to cyber security controls and strengthening of digital payment security controls.

Your Bank's unwavering commitment to technological advancement is evidenced by its strategic initiatives aimed at enhancing customer experience and operational efficiency. Your Bank has heavily invested in cutting-edge technologies such as artificial intelligence and data analytics to enable risk management, fraud detection and personalized services and continues to take various technological initiatives.

The digital transformation journey of your Bank is anchored on the pillars for digital innovation, agility and security. Your Bank has enhanced its digital platforms to offer customers seamless Omni channel experience, so as to streamline banking procedures, enable instantaneous fund transfers, enable digital account opening and to provide secure authentication mechanisms. In addition, your Bank's digital infrastructure has been strengthened by the use of strong cybersecurity protocols, guaranteeing the integrity and confidentiality of client data.

Leveraging technology to foster deeper customer engagement, your Bank has introduced a range of digital solutions to cater to the evolving needs of customers.

Your Bank remains steadfast in its commitment to harnessing technology for sustained growth and innovation. In order to empower both customers and employees, your Bank will prioritise digital literacy and continue to explore emerging technologies with the goal of creating a futuristic digital ecosystem.

With a strategic combination of innovation, customer-focused thinking and operational efficiency, your Bank is positioned to take advantage of the changing digital landscape and generate value for all stakeholders.

SUBSIDIARIES AND ASSOCIATES

As of 31st March, 2024, your Bank had 21 subsidiaries in various businesses, as listed below:[2]

Sr. No.	Name of the subsidiary	Business activity
1.	Kotak Mahindra Prime Limited	Car Finance and other Lending
2.	Kotak Mahindra Investments Limited	Lending and Investments
3.	Kotak Infrastructure Debt Fund Limited	Infrastructure Financing
4.	Kotak Securities Limited	Stock Broking, Distribution
5.	Kotak Mahindra Capital Company Limited	Investment Banking
6.	Kotak Mahindra Life Insurance Company Limited	Life Insurance
7.	Kotak Mahindra General Insurance Company Limited	General Insurance
8.	Kotak Mahindra Asset Management Company Limited	Mutual Fund Asset Management, Portfolio Management
9.	Kotak Mahindra Trustee Company Limited	Trustee Company for Mutual Fund
10.	Kotak Mahindra Pension Fund Limited	Pension Fund Management
11.	Kotak Alternate Asset Managers Limited (Formerly known as Kotak Investment Advisors Limited)	Alternate Asset Management, Investment Advisory
12.	Kotak Mahindra Trusteeship Services Limited	Trusteeship Services
13.	Kotak Mahindra (UK) Limited	Distribution of financial products and dealing in securities
14.	Kotak Mahindra (International) Limited	Advisory Services, Investments
15.	Kotak Mahindra Inc.	Broker/Dealer

[2] GRI 2-2

Sr. No.	Name of the subsidiary	Business activity
16.	Kotak Mahindra Asset Management (Singapore) Pte. Limited	Asset Management
17.	Kotak Mahindra Financial Services Limited	Advisory services for Middle East
18.	IVY Product Intermediaries Limited	Marketing and distribution of various financial products/services
19.	BSS Microfinance Limited	Business Correspondent
20.	Sonata Finance Private Limited (with effect from 28th March, 2024)	Business Correspondent
21.	Kotak Karma Foundation	Centre of Excellence for part of Bank's CSR activities

On 28th March, 2024, the Bank acquired 100% of the issued and paid-up capital of Sonata Finance Private Limited ("Sonata"), a Non-Banking Finance Company – Micro Finance Institution registered with RBI for a total consideration of ₹ 537.12 crore. With this acquisition, Sonata has become a subsidiary of the Bank.

Pursuant to the receipt of relevant regulatory approvals, the transaction for acquisition of 70% shareholding in Kotak Mahindra General Insurance Company Limited ("KGI") by Zurich Insurance Company Limited by way of a combination of primary and secondary acquisitions, for a total consideration of approximately ₹ 5,560 crore was completed upon fulfilment of other conditions precedent. Accordingly, KGI has ceased to be a subsidiary of your Bank, on 18th June, 2024. The Bank now holds the remaining 30% of the share capital of KGI.

The various activities of the subsidiaries, their performance and financial position are outlined in detail in the Management's Discussion and Analysis section annexed to this Report.

MATERIAL SUBSIDIARY:

Kotak Mahindra Life Insurance Company Limited is a material subsidiary of the Bank. The Bank's Policy for determining material subsidiaries, in line with the SEBI Listing Regulations, is available on the Bank's website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/policies.html

ASSOCIATE COMPANIES:

As at 31st March, 2024, your Bank had the following associate companies:

(i) Infina Finance Private Limited

(ii) Phoenix ARC Private Limited

KGI became an associate company of your Bank, on 18th June, 2024.

Further, pursuant to the provisions of Section 136(1) of the Act, the Annual Report of the Bank, containing the standalone and consolidated financial statements and all other relevant documents required to be annexed thereto and the separate audited financial statements in respect of each of the subsidiaries, are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html Pursuant to the provisions of Section 129(3) of the Act, the Statement containing the salient features of the Financial Statements of the said subsidiaries and associates of the Bank, in Form AOC-1, is annexed to this Report.

The financial statements of the subsidiaries (other than Kotak Karma Foundation, a Section 8 company, whose accounts are excluded from consolidation in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements") used for consolidation of the Bank's consolidated financial statements are special purpose financial statements prepared in accordance with GAAP specified under Section 133 of the Act read with relevant notifications.

BOARD OF DIRECTORS

BOARD COMPOSITION

The composition of the Board of Directors of the Bank is governed by the Act, the Banking Regulation Act, 1949 ("BR Act") and Regulation 17 of the SEBI Listing Regulations and is in conformity with the same. As on 31st March, 2024, the Board of Directors comprised twelve Directors, including six Independent Directors, three Non-Executive Directors and three Executive Directors. As on the date of this Report, the Board of Directors comprises eleven Directors viz., Mr. C S Rajan, Non-Executive Independent Part-time Chairman, Mr. Uday Khanna, Mr. Uday Shankar, Dr. Ashok Gulati, Ms. Ashu Suyash, Mr. Cornelis Petrus Adrianus Joseph ("Eli") Leenaars and Ms. Ketaki Bhagwati, Independent Directors, Mr. Amit Desai and Mr. Uday Kotak, Non-Executive Directors, Mr. Ashok Vaswani, Managing Director & CEO and Ms. Shanti Ekambaram, Whole-time Director, designated as Deputy Managing Director.

The size of the Board is commensurate with the size and business of the Bank. The Board meets the criteria prescribed under Section 10(A)(2) of the BR Act and the circulars issued by the RBI, from time to time. The Board mix provides a combination of professionalism, knowledge, experience and skills required in the banking industry and also meets the criteria prescribed under the Policy on Board Diversity adopted by the Board.

CHANGES IN COMPOSITION OF THE BOARD

Mr. Uday Kotak resigned as the Managing Director & CEO of the Bank, with effect from 1st September, 2023. Pursuant to the the approvals of the Board of Directors and the members of the Bank, Mr. Kotak became a Non-Executive Director of the Bank, with effect from 2nd September, 2023.

Mr. Dipak Gupta, the then Joint Managing Director, assumed the duties of Managing Director & CEO, as an interim arrangement, for the period up to 31st December, 2023, pursuant to the approval of the RBI and the members of the Bank. Mr. Gupta ceased to be a Director and Managing Director & CEO of the Bank, upon completion of his term on 31st December, 2023.

Pursuant to the approval granted by Board and the RBI, the members of the Bank approved the appointment of Mr. Ashok Vaswani as the Managing Director & CEO of the Bank, for a period of three years, with effect from 1st January, 2024.

Further, Mr. Eli Leenaars was appointed as a Director and an Independent Director of the Bank, for a term of four years, with effect from 1st January, 2024, pursuant to the approvals of the Board and the members of the Bank.

Upon completion of his term on 31st December, 2023, Mr. Prakash Apte ceased to be a Director and Non-Executive Independent Part-time Chairman of the Bank.

The Board of Directors of the Bank, approved the appointment of Mr. C S Rajan, Independent Director, as the Non-Executive Independent Part-time Chairman of the Bank, for a period of two years, with effect from 1st January, 2024, subject to the approval of the RBI, which was subsequently received.

Mr. KVS Manian and Ms. Shanti Ekambaram, both Whole-time Directors, were re-designated as Joint Managing Director and Deputy Managing Director of the Bank, respectively, with effect from 19th March, 2024, till the end of their respective terms on 31st October, 2025.

Based on the approval of the Board, the members of the Bank approved the re-appointment of Mr. Uday Shankar as an Independent Director of the Bank, for a second term of three years, with effect from 16th March, 2024, on the completion of his first term of five years.

Mr. KVS Manian resigned as the Joint Managing Director of the Bank on 30th April, 2024.

Further, Mr. C Jayaram ceased to be a Director on the Board of the Bank on completion of his term of eight years on 30th April, 2024, in line with the provisions of Section 10A(2A)(i) of the BR Act.

Ms. Ketaki Bhagwati was appointed as an Additional Director and an Independent Director of the Bank for a period of four years, with effect from 18th May, 2024, subject to the approval of the members. The approval of the members is being sought at the ensuing Thirty-Ninth AGM of the Bank. The details of Ms. Bhagwati are included in the Notice convening the Thirty-Ninth AGM of the Bank.

As on the date of this Report, the Board of your Bank has eleven Directors, including three Women Directors. The Board currently comprises seven Independent Directors, two Non-Executive Directors and two Executive Directors.

DIRECTORS RETIRING BY ROTATION

Mr. Amit Desai is liable to retire by rotation at the ensuing Thirty-Ninth AGM of the Bank, in terms of Section 152 of the Act and being eligible, has offered himself for re-appointment as a Director. The Board has approved the said proposal and recommended the same to the members for their approval.

The details of Mr. Desai are included in the Notice convening the Thirty-Ninth AGM of the Bank.

DECLARATION FROM INDEPENDENT DIRECTORS

All the Independent Directors of the Bank have submitted the requisite declarations stating that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. The Board has reviewed and assessed the veracity of the aforesaid declarations, as required under Regulation 25(9) of the SEBI Listing Regulations. In the opinion of the Board, all the Independent Directors fulfill the said conditions as mentioned in the Act and the SEBI Listing Regulations and are independent of the management. All the Independent Directors of the Bank have complied with the provisions of sub rules (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to registration with the Indian Institute of Corporate Affairs for the Independent Directors' Database. There has been no change in the circumstances affecting their status as Independent Directors of the Bank. In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

DIRECTOR E-KYC

Pursuant to the requirement prescribed under the Companies (Appointment and Qualification of Directors) Rules, 2014, in FY 2023-24, all the Directors of the Bank have complied with the KYC registration.

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

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

BOARD EVALUATION[1]

The Board conducted the performance evaluation of the individual Directors, Board Committees and Board as a whole for FY 2023-24, in accordance with the provisions of the Act and the SEBI Listing Regulations, including the Guidance Note on Board Evaluation issued by the SEBI on 5th January, 2017.

[1]GRI 2-18

The NRC approves the criteria and the mechanism for carrying out the said performance evaluation process. Accordingly, the NRC approved the assessment questionnaire designed for the annual performance evaluation, which broadly covered the following criteria:

(i) Board - Competencies, composition and structure, board dynamics, board functioning, oversight of committee composition and functioning, ethics and compliance.

(ii) Committees - Composition and quality, process and procedure, terms of reference and certain committee specific questions.

(iii) Chairperson - Key focus areas covering understanding of the role, team work attributes, utilisation of domain expertise, effective communication, etc. and certain other parameters such as efficient leadership, open-minded, driver of innovation, courteous, professionalism, impartial conduct, devotion of sufficient time, effective communication and facilitation of productive deliberation.

(iv) Individual Directors - Function and duties, professional and ethical conduct, management relations, understanding of role, commitment, effective contribution, independent view to decision making, utilisation of domain expertise, etc.

The aforesaid questionnaire was circulated to all the Directors of the Bank for the annual performance evaluation. The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors through the annual Board Evaluation Process.

The Bank had engaged an independent professional services firm for issuing a report on the performance evaluation ("Board Evaluation Report"), based on the responses received from the Directors. The Board Evaluation Report was placed before the Independent Directors and the Board at their respective meetings and performance evaluation for FY 2023-24 was carried out by them.

The Directors noted that the results of the performance evaluation indicated a high degree of satisfaction among the Directors. The Board deliberated on the report and basis suggestions, agreed to enhance focus on identified topics, such as, technology and human resources. These will be monitored and reported to the Board periodically.

Further, the Bank has taken necessary steps to comply with the suggestions which had arisen from the Board performance evaluation for FY 2022-23.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following officials of the Bank are the Key Managerial Personnel ("KMP"), as on the date of this report:

(i) Mr. Ashok Vaswani, Managing Director & CEO

(ii) Ms. Shanti Ekambaram, Deputy Managing Director

(iii) Mr. Devang Gheewalla, Group Chief Financial Officer

(iv) Ms. Avan Doomasia, Company Secretary.

Mr. Uday Kotak and Mr. Dipak Gupta, ceased to be the Managing Director & CEO and KMPs of the Bank on 1st September, 2023 and 31st December, 2023, respectively.

Mr. Ashok Vaswani was appointed as the Managing Director & CEO and KMP of the Bank, with effect from 1st January, 2024.

Mr. KVS Manian ceased to be the Joint Managing Director ("JMD") and KMP of the Bank, on 30th April, 2024.

Mr. Jaimin Bhatt ceased to be the Group Chief Financial Officer and KMP of the Bank, on account of his superannuation on 31st March, 2024 and Mr. Devang Gheewalla was appointed as the Group Chief Financial Officer and KMP of the Bank, with effect from 1st April, 2024.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors of the Bank is governed by the provisions of Section 35B of the Banking Regulation Act. The NRC has formulated the criteria for appointment of Directors and Senior Management Personnel. Based on the criteria set, the NRC recommends to the Board, the appointment of Directors and Senior Management Personnel.

The Bank adheres to the process and methodology prescribed by the RBI in respect of the 'Fit & Proper' criteria as applicable to Private Sector Banks, signing of Deeds of Covenants which binds the Directors to discharge their responsibilities to the best of their abilities, individually and collectively in order to be eligible for being appointed/re-appointed as a Director of the Bank. The prescribed declarations/undertakings given by the Directors, other than that of the members of the NRC, are placed before the NRC and the declarations/undertakings given by the members of the NRC are placed before the Board, for its review and noting.

The said declarations/undertakings are obtained from all the Directors on an annual basis and also at the time of their appointment/re-appointment, in compliance with the said laws. An assessment on whether the Directors fulfil the prescribed criteria is carried out by the NRC and the Board, on an annual basis and also at the time of their appointment/re-appointment.

The details of the remuneration paid to the Non-Executive Independent Part-time Chairman, Executive and Non-Executive Directors of the Bank, for the year ended 31st March, 2024 is provided in the Report on Corporate Governance annexed to this Report.

The Non-Executive Independent Part-time Chairman of the Bank, receives a fixed remuneration as recommended by the Board and approved by the members of the Bank and the RBI, from time to time. This is in addition to payment of sitting fees, car with driver as per applicable policy and reimbursement of expenses for official purposes/attending duties as a Chairman.

The Board of Directors of the Bank has formulated and adopted a comprehensive Compensation Policy for Non-Executive Directors ("NEDs")

The remuneration payable to the NEDs, other than Part-time Non-Executive Chairman, is in accordance with the provisions of the Circular dated 26th April, 2021 and the Circular on Review of Fixed Remuneration granted to Non-Executive Directors ("NEDs") dated 9th February, 2024, issued by RBI which, *inter alia*, provides for payment of compensation to NEDs, other than the Chair of the Board, in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which is considered sufficient to attract qualified competent individuals, for an amount not exceeding ₹ 30 lakh per annum, including any statutory modification or amendment or re-enactment thereof for the time being in force and the provisions of the Act.

The salient features of the Compensation Policy of the Bank for NEDs are, *inter alia*, as follows:

(i) Compensation structure is divided into:

- Sitting fees
- Compensation in the form of Fixed Remuneration

(ii) Amount of sitting fees and remuneration to be decided by the Board from time to time, subject to the regulatory limits.

(iii) Overall cap on compensation in the form of fixed remuneration for each NED (excluding the Part-time Non-Executive Chairman) of ₹ 30 lakh per annum or such other amount as may be prescribed by the RBI, from time to time.

(iv) NEDs are not eligible for any stock options of the Bank.

(v) The Part-time Non-Executive Chairman is entitled to a fixed remuneration, as may be approved by the Board, members and RBI, from time to time. This is in addition to the sitting fees for attending the meetings of the Board/Committees. The Bank may provide car with a driver for the use of the Part-time Non-Executive Chairman of the Bank and all expenses incurred on such car will be on actuals and borne by the Bank.

The fixed remuneration payable to the Non-Executive Directors other than Part-time Non-Executive Chairman was revised from ₹ 20 lakh to ₹ 30 lakh per annum, from FY 2024-25. The Board also approved the criteria for granting such remuneration.

Further, approval of the members is being sought at the ensuing Thirty-Ninth AGM of the Bank for revision in remuneration payable to the Non-Executive Independent Part-time Chairman of your Bank from ₹ 3,600,000/- (Rupees Thirty-Six Lakh only) per annum to ₹ 5,000,000/- (Rupees Fifty Lakh only) per annum to Mr. C S Rajan till the end of his tenure as Non-Executive Independent Part-time Chairman of the Bank till 31st December, 2025, with effect from 1st July, 2024, subject to such terms and conditions as may be approved by the RBI, from time to time. Details of the same are included in the Notice convening the Thirty-Ninth AGM of the Bank.

The remuneration paid to the KMPs is in line with the Compensation Policy of the Bank which is based on the RBI Guidelines. The above mentioned policies are available on the Bank's website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/policies.html

The salient features of the Compensation Policy of the Bank are, as follows:

Objective:

- To maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals
- To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking
- To 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 the RBI.

Compensation structure comprises total remuneration consisting of:

- Fixed Pay, which includes perquisite pay/benefits
- Variable Pay, which includes Performance Bonus/Incentive, Long Term Incentive Pay in the form of cash bonuses, all share-linked instruments (e.g. ESOP, SARS, etc.)
- Other payments, which includes Joining/Sign on Bonus, Severance package, Deferred Incentive Plans, etc.

Further, the employees have been broadly classified into following categories:

(i) Category I – Comprising Managing Director & CEO and Whole-time Directors ("WTDs")

(ii) Category II – Material Risk Takers ("MRTs"):

These include employees (excluding employees under Category III) whose actions may have material impact on the risk exposures of the Bank and who satisfy both qualitative and quantitative criteria, as given below:

a) Qualitative Criteria: Employees in the Grade M10 and above; Business and Function Heads in reporting hierarchy up to two levels below Managing Director & CEO.

b) Quantitative Criteria: Fixed Cost To Company ("FTCTC") is ₹ 1.5 crore p.a. and above.

This excludes employees under Category III.

(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
- Human Resources
- Corporate Social Responsibility
- Investor Relations

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

The limits on the ratio of total Variable Pay (including Cash or Non Cash Pay) to Fixed Pay and the limits on the ratio of Cash v/s Non Cash within Variable Pay, is outlined for each category of employee classification. Further, Malus and Clawback clauses are applicable as per the Compensation Policy.

The NRC and the Board of the Bank have reviewed and approved all the amendments to the said Compensation Policy.

DISCLOSURES PURSUANT TO RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report.

REPORT ON CORPORATE GOVERNANCE

The Bank is committed to achieving and adhering to the highest standards of Corporate Governance and constantly benchmarks itself with best practices, in this regard.

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate section titled 'Report on Corporate Governance' has been annexed to this Report along with the certificate issued by the Secretarial Auditor of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance under the SEBI Listing Regulations. The Report on Corporate Governance also contains certain disclosures required under the Act, including the details of the Board meetings held during the financial year ended 31st March, 2024.[3]

The Bank also files with the Stock Exchanges, the Report on Corporate Governance in terms of Regulation 27(2) of the SEBI Listing Regulations on a quarterly, half yearly and annual basis. The said Reports are available on the Bank's website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/sebi-listing-disclosures.html

SECRETARIAL STANDARDS

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

[3] GRI 2-27

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Bank had appointed Rupal D. Jhaveri, Practising Company Secretary, a peer reviewed proprietorship firm, to act as the Secretarial Auditor of the Bank for FY 2023-24. The Secretarial Audit Report for the financial year ended 31st March, 2024, as required under Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, is annexed to this Report. The Secretarial Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Kotak Mahindra Life Insurance Company Limited ("KLI"), your Bank's material unlisted subsidiary, has completed its secretarial audit and there are no qualifications, reservations, adverse remarks or disclaimers made in the Secretarial Audit Report of KLI for the financial year ended 31st March, 2024. The said Secretarial Audit Report of KLI is also annexed to this Report.

In terms of the provisions of the SEBI Listing Regulations, your Bank has submitted the Annual Secretarial Compliance Report for FY 2023-24 to the Stock Exchanges within the prescribed time and the same is available on websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and on the Bank's website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/sebi-listing-disclosures.html

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, based on the representations received from the operating management, confirm in pursuance of Sections 134(3) and 134(5) of the Act, that:

(i) your Bank has, in the preparation of the annual accounts for the financial year ended 31st March, 2024, followed the applicable accounting standards and guidance provided by the Institute of Chartered Accountants of India along with proper explanations relating to material departures, if any;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Bank as at 31st March, 2024 and of the profit of your Bank for the financial year ended 31st March, 2024;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Bank is available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html

STATUTORY AUDITORS

Pursuant to the Bank's Policy on appointment of Statutory Auditors ("Policy") and the Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 issued by RBI ("RBI Circular"/"Guidelines"), prescribing the guidelines for Appointment of Statutory Auditors (SAs) and in accordance with the requirements of Section 139 of the Act, read with Rules made thereunder, KKC & Associates LLP, Chartered Accountants (Firm Registration No: 105146W/W100621) ("KKC") and Price Waterhouse LLP, Chartered Accountants (Firm Registration Number: 301112E/E300264) ("PW"), are the Joint Statutory Auditors of the Bank.

The term of PW, as one of the Joint Statutory Auditors of the Bank, expires at the conclusion of the ensuing Thirty-Ninth AGM of the Bank and the Bank is required to appoint a second Joint Statutory Auditor in place of PW, pursuant to the above mentioned RBI Circular and Policy.

In this regard, based on a review of the profile, including the size, experience and area of specialization and recommendation of the Audit Committee and the approval of RBI, the Board has, on 29th June, 2024, *inter alia*, approved and recommended for the approval of the members, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No: 117365W) ("Deloitte"), as the second Joint Statutory Auditor of the Bank, to hold office from the conclusion of the Thirty-Ninth AGM until the conclusion of the Forty-Second AGM of the Bank, for the purpose of the audit of the Bank's standalone and consolidated financial statements from FY 2024-25 to FY 2026-27.

Deloitte has consented to act as one of the Joint Statutory Auditors of the Bank and have intimated that such appointment would be in accordance with the conditions prescribed in Section 139 of the Act and have also confirmed their eligibility to be appointed as Statutory Auditors, in terms of Section 141 of the Act and applicable rules and RBI Guidelines. The approval of members of the Bank is, accordingly, being sought for the appointment of Deloitte as one of the Joint Statutory Auditors, at the ensuing Thirty-Ninth AGM.

As per the applicable provisions of law, including RBI Circular/Guidelines and the BR Act, the appointment of Joint Statutory Auditors would be subject to the approval of the RBI every year.

At the Thirty-Eighth AGM of the Bank, the members had approved an overall audit remuneration/fee not exceeding ₹ 37,500,000/- (Rupees Three Crore Seventy-Five Lakh only), plus outlays and taxes, as applicable, for FY 2023-24, allocated by the Bank between PW and KKC, depending upon their respective scope of work.

Further, based on the recommendation of the Audit Committee, the Board approved an overall annual remuneration/fee of an amount not exceeding ₹ 41,000,000 (Rupees Four Crore Ten Lakh only) in addition to any out of pocket expenses, outlays and taxes, as applicable, to the Joint Statutory Auditors for the time being in office, for the audit/review of financials, as the case may be, in respect of FY 2024-25, to be mutually agreed between the Bank and both the Joint Statutory Auditors, depending on the scope of work undertaken by each of them, subject to the approval of the members of the Bank.

The approval of members of the Bank is, accordingly, being sought pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Act and the relevant Rules thereunder and pursuant to Section 30 of the BR Act and RBI Circular for fixing the remuneration of the Joint Statutory Auditors for FY 2024-25, at the ensuing Thirty-Ninth AGM.

As required under Regulation 33(1)(d) of the SEBI Listing Regulations, the Joint Statutory Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and that they hold a valid certificate issued by the Peer Review Board of ICAI.

There are no qualifications, reservations or adverse remarks or disclaimers on the Financial Statements and Internal Control over Financial Reporting made by PW and KKC in the Statutory Auditors' Report for FY 2023-24.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirm that your Bank has laid down set of standards, processes and structure which enables it to implement internal financial controls across the organisation with reference to financial statements and that such controls are adequate and are operating effectively. Controls are reviewed/revisited/updated/deleted each year for change in processes/organisational changes/product changes, etc. Testing is done for all the controls with the help of an independent firm of Chartered Accountants, on behalf of Management, who confirm to the Audit Committee of the Bank, the existence and operating effectiveness of controls over financial reporting. During the year under review, no material or serious observations were observed for inefficiency or inadequacy of such controls.

IMPLEMENTATION OF IND AS

The Ministry of Finance, Government of India ("GOI"), had vide its press release dated 18th 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), NBFC and Insurance companies. The RBI vide its circular dated 22nd 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 GOI. The RBI has not issued any further notification on implementation of Ind AS for SCBs.

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

(i) Formed Steering Committee for Ind AS implementation. The Steering Committee 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 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.

RELATED PARTY TRANSACTIONS

During the year, your Bank has not entered into any materially significant transaction with its related parties, which could lead to a potential conflict of interest between the Bank and these parties. All the related party transactions that were entered into during the year were on an arm's length basis and in the ordinary course of business. Hence, pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions to be reported under Section 188(1) of the Act and disclosure in Form AOC-2 is not applicable to the Bank.

The members of the Bank had, vide resolutions passed on 12th March, 2024, approved related party transactions by the Bank, as potential Material related party transactions under the provisions of Regulation 23 of the SEBI Listing Regulations, with Infina Finance Private Limited ("Infina") and Mr. Uday Kotak for FY 2024-25, at an arm's length basis and in the ordinary course of business of the Bank. During the year, none of the related party transactions of the Bank exceeded the applicable materiality threshold.

The Bank has a Board approved 'Policy on dealing with Related Party Transactions'. The same is available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

All related party transactions are placed before the Audit Committee for its review and approval on a quarterly basis. Omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. Further, the Bank had engaged the services of an external professional firm for verification of the related party transactions during the year as also their disclosure and for validation of the process followed by the Bank.

Members may refer to Note 7 of Schedule 18B – Notes to Accounts of the Standalone Financial Statement (Other Disclosures) and Note 22 of Schedule 17 - Notes to Accounts of the Consolidated Financial Statement of your Bank, which set out related party disclosures pursuant to Accounting Standards AS-18.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Act except sub-section (1), do not apply to loans made, guarantees given and securities provided by a banking company in the ordinary course of its business and are exempted from the disclosure requirement under Section 134(3)(g) of the Act.

The particulars of investments made by the Bank are disclosed in Schedule 8 of the Financial Statements.

RISK MANAGEMENT POLICY

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

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

Your Bank has undertaken various initiatives for the conservation of energy. Details of the same are available in the BRSR of the Bank which is part of the Annual Report of the Bank and is also available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html

The Bank has used information technology extensively in its operations as detailed in the para on 'Technology and Digitisation'.

Foreign Exchange earnings and outgo are part of the normal banking business of your Bank.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, other than the fraud reported to the Central Government, there were no instances of fraud by the officer(s) or employee(s) of the Bank, which were reported by the Statutory Auditors, to the Audit Committee or the Board of Directors of the Bank, under Section 143(12) of the Act.

MAINTENANCE OF COST RECORDS

Being a Banking company, your Bank is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS IN FUTURE

During the year under review, no significant and/or material order was passed by any regulatory authority or Court or Tribunal against the Bank, which could impact the going concern status or its future operations.

As regards the RBI Order dated 24th April, 2024, please refer paragraph titled, 'Reserve Bank of India Order dated 24th April, 2024', appearing earlier in this Report.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE BANK

There are no material changes and commitments which affected the financial position of your Bank, which occurred between the end of the financial year to which the financial statements relate and up to the date of this Report.

DESPATCH OF ANNUAL REPORT

The MCA has issued General Circular No. 20/2020 dated 5th May, 2020 read with other relevant circulars issued from time to time, including General Circular No. 09/2023 dated 25th September, 2023 and the SEBI has issued Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, read with other relevant circulars issued from time to time, including Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023, in relation to limited relaxation from compliance with certain provisions of the SEBI Listing Regulations. Members who wish to have physical copy may write to the Company Secretary of the Bank at KotakBank.Secretarial@kotak.com or submit a written request to the Registered Office of the Bank. In accordance with the aforesaid circulars, the weblink of the Annual Report and the Notice convening the AGM of the Bank is being sent in electronic mode only to members whose e-mail address is registered with the Bank or the Depository Participant(s). Those members, whose email address is not registered with the Bank or with their respective Depository Participant(s) and who wish to receive the Notice of the AGM and the Annual Report for the financial year ended 31st March, 2024, can get their email address registered by following the steps as detailed in the Notice convening the AGM. The Annual Report of your Bank and its subsidiaries are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html

ANNEXURES

The following statements/reports/certificates are annexed to the Directors' Report:

(i) Annual Report on Corporate Social Responsibility Activities of the Bank for the financial year ended 31st March, 2024.

(ii) Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(iii) Secretarial Audit Report pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations.

(iv) Report on Corporate Governance pursuant to Schedule V Part C of the SEBI Listing Regulations along with Certificate from the Secretarial Auditor regarding compliance of conditions of Corporate Governance as stipulated in Schedule V Part E of the SEBI Listing Regulations.

(v) Management's Discussion and Analysis Report pursuant to Schedule V Part B of the SEBI Listing Regulations.

ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, the SEBI, Stock Exchanges, Insurance Regulatory and Development Authority of India and other Government and Regulatory agencies. Your Directors acknowledge the continued support of the members and also wish to place on record their appreciation for employees for their commendable efforts, commitment, teamwork and professionalism.

For and on behalf of the Board of Directors

C S Rajan
Chairman

Date: 29th June, 2024
Place: Mumbai

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES OF KOTAK MAHINDRA BANK LIMITED FOR THE FINANCIAL YEAR 2023-24

1. BRIEF OUTLINE ON CORPORATE SOCIAL RESPONSIBILITY POLICY OF KOTAK MAHINDRA BANK LIMITED

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.

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

While ensuring that it's CSR Policy, projects, programmes and interventions are compliant with the CSR mandate as specified under Sections 134 and 135 read with Schedule VII of the Companies Act, 2013 ("Act") along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time-to-time and in line with the Government of India's notifications issued from time-to-time, your Bank also endeavours to align its CSR projects, programmes and interventions with government initiatives and last but not the least, UN's SDGs.

The CSR Policy of the Bank is available on its website viz URL: https://www.kotak.com/en/about-us/sustainability/csr.html

2. COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("CSR & ESG") COMMITTEE:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1.	Mr. C S Rajan	Chairman (w.e.f. 1st January, 2024)/ Independent Director	7	7
2.	Dr. Ashok Gulati (appointed w.e.f. 1st January, 2024)	Member/Independent Director	1	1
3.	Mr. C Jayaram	Member/Non-Executive Director	7	7
4.	Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	Member/Managing Director & CEO	7	7
5.	Mr. Prakash Apte (till 31st December, 2023)	Chairman (till 31st December, 2023)/Independent Director	6	6
6.	Mr. Dipak Gupta (till 31st December, 2023)	Member/Managing Director & CEO	6	5

3. Web-link where Composition of CSR & ESG Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Bank: https://www.kotak.com/en/about-us/sustainability/csr.html

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2024, if applicable:

The following CSR Projects undertaken by your Bank in FY 2020-21 and FY 2021-22, were eligible for impact assessment, which was conducted in FY 2023-24. The executive summary of the impact assessment reports is given, as under:[1]

Sr No	CSR Project Unique ID	Implementing Organisation	Executive Summary of the Impact Assessment reports
Education & Livelihood			
1	KMBL202122005	IIMPACT	The project implemented by IIMPACT in FY 2021-22 and FY 2022-23, offered educational opportunities to girls from underprivileged communities. The impact assessment study conducted by EveryULB Technologies Private Limited, indicated that: • The use of visual learning tools such as videos had led to near-unanimous engagement (325 out of 326 surveyed) with the content. • 86% of the students participated, benefitted from '100 days reading campaign'.

[1]GRI 413-1

Sr No	CSR Project Unique ID	Implementing Organisation	Executive Summary of the Impact Assessment reports
2	KMBL202122012	Khan Academy India	The project implemented by Khan Academy India in FY 2021-22 and FY 2022-23, had provided support in developing science content aligned with National Council of Educational Research and Training (NCERT). The impact assessment study conducted by EveryULB Technologies Private Limited indicated that: • More than 2 lakh students accessed and used the aforementioned science content and were amongst the Monthly Active Learners (MALs). • The total learning time (TLT) per active learner for science students from grades 9 to 12, was 35 hours/active learner, which surpassed its intended target by 32%.
3	KMBL202122010	IT for Change	The project implemented by IT for Change in FY 2021-22, focused on developing a model for quality education through Information and Communication Technology ("ICT") integration. The impact assessment study conducted by EveryULB Technologies Private Limited indicated that: • 80% of the Bachelor of Education (BEd) Students who completed the ICT course, rated their understanding of the course as 'Very Good or 'Excellent'. • 96.7% of in-service teachers who completed the ICT course indicated that the training sessions were beneficial in helping integrating ICT as a tool in the subject(s)
4	23	Sarthak Educational Trust	The project implemented by Sarthak Educational Trust in FY 2020-21 and FY 2021-22, focused on vocational training and skill development for disadvantaged communities. The impact assessment study conducted by In2x Sustainability Advisors Private Limited, indicated that: • There was a positive impact of the project on the 190 children with special needs • 906 people with disability benefited through enhancing employability
5	KMBL202122008	Head Held High Foundation	The 'Make India Capable' project implemented by Head Held High Foundation in FY 2021-22, provided six months of training to 692 dropout youth. The impact assessment study conducted by In2x Sustainability Advisors Private Limited, indicated that: • 59% of the students reported that their confidence in spoken English and computer operations had improved.
6	KMBL202122011	Pratham Education Foundation	The Vocational Training Project implemented by Pratham Education Foundation in FY 2021-22 offered skilling opportunities to economically vulnerable individuals. The impact assessment study conducted by Samhita Social Ventures, indicated that: • 78% of trained individuals received placement offers in their respective fields, with 74% securing direct jobs. • The median income increased from ₹ 8,250 to ₹ 12,000.
7	59	Kotak Education Foundation - Digital Learning Solutions ("DLS")	The project 'DLS' implemented by Kotak Education Foundation in FY 2020-2021 and FY 2021-22, primarily focused on upskilling students and teachers by fostering technology integration in learning and pedagogy skills, respectively. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • 70% growth experienced by teachers in the learning outcomes of students • 63% of the respondents agreed that the project helped them improve their subject knowledge.
8	KMBL202122013	Kotak Education Foundation – Lead	The project 'Lead' implemented by Kotak Education Foundation in FY 2021-22, primarily focused on strengthening the leadership and managerial capacities. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP indicated that: • 99% respondents agreed that the project had influenced their motivation levels to lead the school effectively • 99% respondents agreed that the project helped them improve their organizational efficiency.

Sr No	CSR Project Unique ID	Implementing Organisation	Executive Summary of the Impact Assessment reports
9	KMBL202122014	Kotak Education Foundation - Guru	The project 'Guru' implemented by Kotak Education Foundation in FY 2021-22 and FY 2022-23, aimed at improving teaching and learning practices to improve foundational literacy and numeracy skills. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • 99% of the total respondent teachers stated that they were able to apply the learnings gained through GURU sessions in their teaching • 93% of the total respondent teachers confirmed in improvement in pedagogy and teaching practices • 83% of the teachers affirmed that, the program contributed to managing their workload more efficiently
10	KMBL202122015	Kotak Education Foundation - Umang	The project 'Umang' implemented by Kotak Education Foundation in FY 2021-22, was designed to enhance English communication skills for students from vernacular medium The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • There was a 95% increase in the use of English language • Respondents reported that their confidence increased in use of website and application in English from 40% to 93% • 96% respondents showed improvement in learning outcomes/grade
11	KMBL202122016	Kotak Education Foundation - Unnati	The project 'Unnati' implemented by Kotak Education Foundation in FY 2021-22 and FY 2022-23, was designed to enhance English communication skills for students from vernacular medium The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • 95% of respondents expressed satisfaction with improvement in their confidence levels • After completing skill training, 71 % of respondents secured placements, while the remaining 29 % pursued self-employment, further studies, or refrained from the placement process due to various reasons
12	KMBL202122017	Kotak Education Foundation -Nirmaan	The project 'Nirmaan' implemented by Kotak Education Foundation in FY 2021-22 and FY 2022-23, was to support schools to have safer, cleaner school infrastructure. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • 100 % of the respondents mentioned that there had been an improvement in safety and health in the schools • 92% of student's created awareness about sanitation
13	KMBL202122018	Kotak Education Foundation – Health	The project 'Health' implemented by Kotak Education Foundation in FY 2021-22 aimed at improving healthcare and overall well-being of underprivileged background. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • There was 100% increase in knowledge levels on topics like Anameia, Nutrition, Mensuration etc. after the awareness session • 90% acknowledged that they had received spectacles through KEF under eye-care program • The session helped to solve queries related to health and nutritional needs
14	KMBL202122019	Kotak Education Foundation - Parvarish	The project 'Parvarish' implemented by Kotak Education Foundation in FY 2021-22 and FY 2022-23, provided training to raise awareness amongst parents to enable them to influence their children's learning outcomes better in the early years. The impact assessment study conducted by KPMG Assurance and Consulting Services LLP, indicated that: • 82% of the total parents felt improvement in child's numeracy skills • 68% parents saw improvement in their child's academic performance

Sr No	CSR Project Unique ID	Implementing Organisation	Executive Summary of the Impact Assessment reports
Sports			
15	06	Inspire Institute of Sport	The project implemented by Inspire Institute of Sport in FY 2020-21 and FY 2021-22, was focused to promote Wrestling and Boxing. 100 athletes received world class training, necessary equipment, nutritional support, physiotherapy, rehabilitation and psychological support. The impact assessment study conducted by EveryULB Technologies Private Limited, indicated: • 100% retention rates • 91% athletes saw significant improvement in their performance
Healthcare			
16	KMBL202122034	Bharatiya Arogya Nidhi	The Project with Bharatiya Arogya Nidhi implemented in FY 2021-22 was for strengthening hospital's medical infrastructure. The impact assessment study conducted by SGS India Private Limited, indicated, 50% increase in patients requiring Intensive Care Unit (ICU) facilities
17	KMBL202122029	Wockhardt Foundation	The Project implemented by the Wockhardt Foundation in FY 2021-22 and FY 2022-23, supported six Mobile Medical Vans (MMV) serving the urban slums of Hyderabad. Based on the impact assessment study conducted by SGS India Private Limited, 87% respondents confirmed reduced health care-related expenditure.
18	KMBL202122006	Direct Implementation	The directly implemented healthcare project, in FY 2021-22, across three states focused on providing four ambulances equipped with medical supplies. The impact assessment study conducted by SGS India Private Limited, indicated that: • All respondents had reported that these ambulances had enabled timely access to emergency medical services, leading to prompt treatment and saving lives. • The ambulances were operational during COVID-19, bolstering relief efforts.
Relief and Rehabilitation			
19	07	Direct Implementation and Collective Goods Foundation (CGF)	The project for COVID-19 implemented directly and through Collective Goods Foundation (CGF) in FY 2020-21 and FY 2021-22 provided targeted financial support to the economically vulnerable population who lost their jobs or experienced income disruptions due to lockdown. The project also provided essential medical equipments to hospitals across India The impact assessment study conducted by SGS India Private Limited, indicated that the program effectively targeted low-income people by ensuring timely support.
20	KMBL202122025	Direct Implementation	The directly implemented Relief and Rehabilitation project, in FY 2021-22, was a response to the devastating floods that struck several Indian states by providing essentials especially food kits to the affected communities reaching over 8,000 families across 257 panchayats and 347 villages in Bihar, Karnataka, Tamil Nadu and Maharashtra. The impact assessment study conducted by SGS India Private Limited, indicated that: • 97% of the respondents reported that intervention met immediate hunger needs during the floods. • 88% of the respondents stated that the kits ensured sustenance during a crucial recovery period. • 91% responded that dietary requirements were taken into account.
21 and 22	45 and 46	Direct Implementation	The directly implemented Relief and Rehabilitation project for COVID-19, implemented from FY 2020-21 and FY 2021-22, provided essential medical equipment to hospitals across Maharashtra. The impact assessment study conducted by SGS India Private Limited, indicated that: • All 11 the healthcare professionals interviewed reported that providing medical equipment during COVID-19 strengthened healthcare infrastructure. • 10 out of 11 respondents agreed that this support had enhanced the efficiency and capacity of medical facilities.

Sr No	CSR Project Unique ID	Implementing Organisation	Executive Summary of the Impact Assessment reports
23 and 24	KMBL202122001 and KMBL202122009	Direct Implementation	The directly implemented Relief and Rehabilitation Project for COVID-19, implemented in FY 2021-22, across five states focused on upgrading medical infrastructure in hospitals. Additionally, ration support was provided along with medical protective gear and vaccination. The impact assessment study conducted by SGS India Private Limited, indicated that: • 6 out of 7 respondents mentioned that the medical equipment supply assisted them in treating patients effectively during the pandemic. • 6 out of 7 respondents confirmed that critical support during COVID-19 saved patients' lives. • All respondents affirmed that the medical equipment provided is still in use.

All the Impact assessment reports are uploaded on the website of the Bank at the following link viz., https://www.kotak.com/en/about-us/sustainability/csr.html

5. (a) Average net profit of the Bank as per Section 135(5) of the Act : ₹ **11,512.07 crore**

(b) Two percent of average net profit of the Bank as per Section 135(5) of the Act : ₹ **230.24 crore**

(c) Surplus arising out of the CSR projects, programmes or activities of the previous financial years : **Not Applicable**

(d) Amount required to be set off for the financial year, if any : ₹ **1.42 crore**

(e) Total CSR obligation for the financial year [(b) + (c) – (d)] : ₹ **228.82 crore**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ **116.17 crore**

(b) Amount spent in Administrative Overheads : ₹ **2.99 crore**

(c) Amount spent on Impact Assessment, if applicable : ₹ **0.56 crore**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ **119.73 crore**

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

Total Amount spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount (₹ in crore)	Date of transfer	Name of the Fund	Amount (₹ in crore)	Date of transfer
119.73*	111.08	29th April, 2024	N.A	N.A	N.A

* includes administrative overhead cost of ₹ 2.99 crore and impact assessment expenditure of ₹ 0.56 crore

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	230.24
(ii)	Total amount spent for the Financial Year	230.81*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.57
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.99**

**Includes unspent amount transferred to unspent CSR account, administrative overheads and impact assessment expenses*

*** including excess spend of ₹ 1.42 crore available from previous years*

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (₹ in crore)	Balance amount in Unspent CSR Account under Section 135(6) of the Act (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5) of the Act, if any			Amount remaining to be spent in succeeding financial years (₹ in crore)
					Name of the Fund	Amount (₹ in crore)	Date of transfer	
1.	2020-21	63.59	4.37	4.37	Nil	Nil	Nil	Nil
2	2021-22	96.06	70.86	34.36	Nil	Nil	Nil	36.50
3	2022-23	93.11	N.A	56.15*	Nil	Nil	Nil	36.96**

** excludes unutilised balance of CSR expenditure amount of ₹ 0.7 lakh with implementation agency as on 31st March, 2024, which was subsequently refunded by them in April 2024.*

*** includes unutilised balance of CSR expenditure amount of ₹ 0.7 lakh with implementation agency as on 31st March, 2024, which was subsequently refunded by them in April 2024.*

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

Yes [√] No [ ]

If Yes, enter the number of capital assets created/acquired [24#]

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

(i) Capital assets created or acquired through CSR Projects of FY 2023-24 :

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	PET CT scan machine and installation costs Bhaktshreshtha Kamalakarpant Laxman Walawalkar Hospital, Diagnostic & Research Centre, Shreekshetra Dervan, Tal.-Chiplun, Dist. - Ratnagiri	415606	18th March 2024	7.00	CSR00006248	Shri Vithalrao Joshi Charities Trust	C 28, Suyash, Gokhale Road North, Dadar (West), Mumbai – 400028

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
2	Medical equipment of pathology lab, operation theatre viz. Sterilisers, endoscopy machine, anaesthesia machine etc H P Ghosh Hospital HB/A/2, Block, HB Block, Sector 3, Bidhannagar, Kolkata, West Bengal	700106	7th October 2023 23rd October 2023 16th November, 2023 20th November, 2023 22nd November, 2023 11th December, 2023 19th January, 2024 22nd January, 2024	5.00	CSR00002431	The Eastern India Heart Care & Research Foundation	HB 36/A/2, Salt Lake city, Sec -3, Kolkata, 7000106
3	Ambulances and fabrication No. 1/2/44, Hospital Road, Sedam Gulbarga, Gulbarga	585222	30th December, 2023	0.21	N.A	Sedam Civil Hospital	No. 1/2/44, Hospital Road, Sedam Gulbarga, Gulbarga, 585222
	Ambulances and fabrication Veeresh Nagar Cross, Sedam Rd, behind MRMC, Kalaburagi, Karnataka	585101	30th December, 2023	0.24	NA	Gulbarga Institute of Medical Sciences	Veeresh Nagar Cross, Sedam Road, behind MRMC, Kalaburagi, Karnataka, 585101
	Ambulances and fabrication Eravikulam National Park Rd, Kannan Devan Hills, Marayoor, Kerala	685620	9th January, 2024	0.41	NA	Divisional Forest Officer, Marayoor Forest Reserve.	Eravikulam National Park Road, Kannan Devan Hills, Marayoor, 685620
	Ambulances and fabrication Shah Mina Rd, Chowk, Lucknow, Uttar Pradesh	226003	16th February, 2024 1st March, 2024	0.48	N.A	King George's Medical University	Shah Mina Road, Chowk, Lucknow, 226003
	Ambulances and fabrication S24, Central Spine, Mahal Yojana, Jagatpura, Jaipur, Rajasthan	302025	17th February, 2024 1st March, 2024	0.27	NA	Jeevan Rekha Critical Care & Trauma Hospital	S24, Central Spine, Mahal Yojana, Jagatpura, Jaipur, 302025
	Ambulances and fabrication College Campus, At & Po. Amroli, Surat	394107	17th February, 2024 1st March 2024	0.27	NA	Jivan Jyot Trust	College Campus, at and Post Office Amroli, Surat, 394107
	Ambulances and fabrication G.P.H. Compound, Polo Ground, Indore	452003	17th February, 2024 1st March 2024	0.27	NA	M.Y. Hospital	G.P.H. Compound, Polo Ground, Indore – 452003

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
	Ambulances and fabrication KLE Society, College Road, Belgaum, Belagavi, Karnataka	590001	17th February, 2024 1st March 2024	0.27	NA	KLE Society	KLE Society, College Road, Belgaum, Belagavi, 590001
	Total Ambulances procured and deployed through Impact Guru Foundation			**2.43**			
4	Television sets, Laptops Tablets, Water purifier and Civil work (For various municipal schools) Multiple Locations	422403 422113 422006 422013 422203 423502 423402 423101 412115 412106 411025 401102 410101 410207 410501 421601 600612	5th August, 2023 1st September, 2023 23rd September, 2023 25th September, 2023 26th September, 2023 30th November, 2023 4th December, 2023 12th December, 2023 15th December, 2023 18th December, 2023 20th December, 2023 28th December, 2023 29th December, 2023 1s January, 2024 13th January, 2024 8th February, 2024 13th February, 2024 22nd February, 2024 29th February, 2024 9th March, 2024 11th March, 2024 12th, March, 2024 16th March, 2024 21st March, 2024 26th March, 2024 27th March, 2024 28th March, 2024 29th March, 2024	2.04	CSR00001785	Kotak Education Foundation	1st Floor, North Side, Ujagar Compound, Sunder Baug, Opposite Deonar Bus Depot, Off Sion-Trombay Road, Deonar, Mumbai - 400088
5	Development of job portal Plot No:8-2- 686/D/I/ G/4-B, Road No12, Banjara Hills Hyderabad	500034	20th March, 2023	1.46	CSR00002046	Youth4 Jobs Foundation	Plot No:8-2- 686/D/I/ G/4-B, Road No. 12, Banjara Hills Hyderabad 500034
6	Sewage motor pumps, Leasehold improvement, Laptops, Vehicle for patients, Fans, CCTV, Fire extinguisher, Inverter, etc. Multiple Locations	110001 160055 700075 751003 440022	20th August, 2023 15th February, 2024 12th March, 2024 31st March, 2024	0.85	CSR00000341	Cankids...Kidscan	D 7/7, Vasant Vihar, New Delhi - 110057

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
7	Dialysis machines Multiple locations	140301 152107 474003 458001 302016	23rd December, 2023 27th December, 2023	0.84	N.A N.A N.A N.A N.A N.A N.A N.A	(i) Civil Hospital, Kharar (ii) Civil Hospital, Malout (iii) Civil Hospital, Hajira (iv) Civil Hospital, Mandsaur (v) Kanwatia Hospital (vi) Rajasthan University of Health sciences (vii) Govt Hopistal, Malthone (viii) Civil Hospital, Dirba	District Kharar, SAS Nagar, Mohali, 140301 District Muktsar Malout, Muktasar 152107 Hajira, Kila Gate Road, Tansen Nagar Gwalior - 474003 City Mandsaur, Madhya Pradesh -458001 Near Kanwatia Circle, Shastri Nagar, Jaipur – 302016 Sector 11, Pratapnagar Jaipur – 303902 South corridor, Andela, Sagar, 470441 District Sangrur, Punjab – 148035
8	Medical equipment for cochlear implant surgery (EnT) Nijalingappa Medical College & H.S.K.Hospital & Research Centre Navanagar Bagalkot	587102	30th August, 2023 4th December, 2023	0.50	CSR00031189	Basaveshwar Vidya Vardhak Sangha	Near Old Bus Stand, College Road, Bagalkote, 587101
9	(i) Computers, Laptops and Printers Multiple Locations	160055 509216 462042 363641 491001	26th June, 2023 29th September, 2023 3rd October, 2023 30th December, 2023 2nd January, 2024 16th January, 2024 5th February, 2024 12th March, 2024 30th March, 2024	0.22	CSR00000258	Pratham Education Foundation	4th Floor, YB Chavan Centre, Nariman Point, Mumbai-400021
	(ii) Almirah, Beds, Chairs, Cupboards, Racks and Table Multiple Locations	160055 363641 509216 491001	27th September, 2023 31st December, 2023 7th February, 2024 18th March, 2024 22nd March, 2024 26th March, 2024	0.04			

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
	(iii) Batteries, CCTV Biometric machine and Camera Multiple Locations	492013 509216 491001 363641 834004 226202 160055	31st August 2023, 3rd October, 2023 26th October, 2023, 21st February, 2024, 7th March, 2024 21st March, 2024	0.02			
	(iv) Coolers, Fans Video recorder, Television sets, Air-conditioners Geyser, Water purifiers, office equipment and Inverter Multiple Locations	363641 160055 491001	30th June, 2023, 27th September, 2023, 9th October, 2023, 20th March, 2024 29th March, 2024	0.03			
	Total			**0.31**			
10	Ambulance and Ventilator District Agroha, Hisar	125047	18th December, 2023 27th March, 2024	0.30	CSR00001467	Maharaja Agrasen Medical Education & Scientific Research Society	District Agroha, Hisar,1250 47
11	Mobile toilets (Ti Bus) Gorakhpur, Uttar Pradesh	273001	12th March, 2024	0.30	CSR00016474	Nagar Nigam Gorakhpur	Town Hall, Gorakhpur, 273001
12	Wall drop, Water tank, Fitness equipment, Television set, Elevated ramp	583275	25th September, 2023 30th November, 2023 6th March, 2024	0.15	CSR00000123	Inspire Institute of Sports	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051
13	Desktops, printers, other accessories, Inverter, mobile phone, Almirah with cabinets and Air conditioner Multiple locations	411002 415001 416003	28th November, 2023 5th December, 2023 6th December, 2023 25th January, 2024 1st February, 2024 3rd March, 2024	0.09	CSR00001952	Bharatiya Yuva Shakti Trust	Bharatiya Yuva Shakti Trust, C/o Confederation of Indian Industry (CII), Core 4A, 4th Floor, India Habitat Centre, Lodi Road, New Delhi – 110 003
14	Smart Boards, Computer and Laptops Deeds College Preparatory Programme center, Grotto Villa B, 2nd Hasnabad Lane, Santacruz West, Mumbai	400054	25th July, 2023 7th September, 2023	0.09	CSR00000703	Deeds Public Charitable Trust	Ground floor, Bajaj Onyx, Union Park, Khar West, Mumbai - 400052
15	Soil Testing devices and kits 272, Sri Sri Gyan Mandir, Opposite Mayur Pankh Society, Ahmedabad	388001	27th March, 2024	0.05	CSR00005737	Vyakti Vikas Kendra India	272, Sri Sri Gyan Mandir, Opposite Mayur Pankh Society, Ahmedabad, 380015

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
16	Laptops, Projector and Fan Multiple locations	380054 383270 825336 834002	15th March, 2024 20th March, 2024 27th March, 2024 29th March, 2024	0.04	CSR00000508	Collectives for integrated livelihood initiatives	3, Community Shopping Centre, Niti Bagh, New Delhi-110049
17	Laptops, Printers Projector and Tablets Multiple locations	335791 342053 346548 346555 346556	17th January, 2024 20th February, 2024 23rd March, 2024	0.03	CSR00001463	Bandhan-Konnagar	99/H/2, Haran Chandra Banjerjee Lane, Konnagar West Bengal – 712235.
18	Laptops and Printer AKRSP(I), C/o Rana Dhirendra Prasad Singh, Chakkar Maidan, Near North Bihar Agro Agency, Muzaffarpur	842001	13th February, 2024 1st March, 2024 15th March, 2024	0.03	CSR00004229	Aga Khan Rural Support Programme India	9th & 10th Floor, Corporate House, Opp. Dinesh hall, Ashram road, Ahmedabad-380009
19	Laptops and Tablets L-29, first floor, Outer circle, Connaught Place, New Delhi	110001	16th November, 2023, 8th December, 2023	0.02	CSR00001762	Khan Academy India	L-29, first floor, Outer circle, Connaught Place, New Delhi – 110001
20	Computers and Peripherals A302, Ushas apartment, Jayanagar 4th Block, Bengaluru	560011	18th July, 2023 11th October, 2023	0.02	CSR00009141	IT for Change	A302, Ushas apartment, Jayanagar 4th Block, Bengaluru, ,560011
21	Laptop 6th Cross Hutchins Road, St Thomas Town Post, Lingarajapuram, Bangalore	560049	29th March, 2024	0.004	CSR00001544	The Association of People with Disability	6th Cross Hutchins Road, St Thomas Town Post, Lingarajapuram, Bangalore - 560084
22	Construction of classrooms and toilet blocks for schools* VBS Schools, Dr. Mohan Sinha Mehta Marg, Fatehpura, Udaipur	313004	Under construction – Not applicable	1.00	CSR00003180	Vidya Bhawan Society	Dr. Mohan Sinha Mehta Marg, Fatehpura, Udaipur (Raj.)-313004
23	CT Scan and MRI machine* Near Sahara Darwaja, Opposite to Bombay Market, Umarwada, Surat	395010	Advance paid – Asset yet to be delivered (Not applicable)	0.96	Not applicable	Surat Municipal Institute of Medical Education & Research	Near Sahara Darwaja, Opposite to Bombay Market, Umarwada, Surat- 395010

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Total CSR amount spent (₹ in crore)	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
24	CT Simulator machine* Mahamana Pandit Madan Mohan Malviya Cancer Centre Banaras Hindu University, Campus, Sundar Bagiya Colony, Sundarpur, Varanasi,	221005	Advance paid – Asset yet to be delivered (Not applicable)	4.80	CSR00001287	Tata Memorial Centre	Dr. Borges Road, Parel (East), Mumbai -400012
Grand Total				**28.31**			

Notes:

** Advances paid against construction/acquisition of capital assets, however the same has not been created/acquired during the year (For Sr no 22, 23 and 24)*

number indicates implementing agency/organisation-wise creation and acquisition of capital asset

(ii) Capital assets created/acquired from Unspent CSR spent of FY 2022-23:

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	Medical equipment for hospital: TMT machine, X-Ray, USG machine, Dialysis machine, Endoscopy with monitor, ECG machine, LAB instruments Holter machine etc H P Ghosh Hospital HB/A/2, Block, HB Block, Sector 3, Bidhannagar, Kolkata, West Bengal **(Refer note 1)**	700106	12th May, 2023, 29th May, 2023 31st May, 2023 20th June, 2023 19th June, 2023 7th July, 2023 15th July, 2023 2nd August, 2023, 21st August, 2023, 13th September, 2023 15th September, 2023 25th September, 2023, 19th December, 2023, 19th February, 2024	3.46	CSR00002431	The Eastern India Heart Care & Research Foundation	HB 36/A/2, Salt Lake city, Sec -3, Kolkata-7000106

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
2	Completion of infrastructure work for badminton facility (Kitchen Equipment) Physio Equipment Gym Material Judo Mats Umpire Stands Ice Bath Machines RO Plant Furniture, etc Survey No, 91, ISB Rd, Madhava Reddy Colony, Opp. ISB Campus, Gachibowli, Hyderabad, Telangana **(Refer note 2)**	500032	8th April,2023 14th April,2023 15th April,2023 21st April,2023 29th April,2023 12th May, 2023, 2nd June, 2023 5th June, 2023	2.42	CSR00001555	Pullela Gopichand Badminton Foundation (PGBF)	Survey No, 91, ISB Rd, Madhava Reddy Colony, Opp. ISB Campus, Gachibowli, Hyderabad, 500032
3	Computers, Servers and Equipment (Air conditioner, Web cam headphones, Multilock mechanism, Workstation, Monitors, GPU cards Wirless cables, home theatre projector etc) C V Raman Road, Bangalore	560012	18th April, 2023 27th July, 2023 28th July, 2023, 2nd August, 2023 24th August, 2023 6th September, 2023 8th, September, 2023 20th September, 2023 18th October, 2023 29th October, 2023 9th November, 2023 10th November, 2023 30th November, 2023 29th January, 2024 12th February, 2024 16th February, 2024 22nd February, 2024	0.84	CSR00007370	Indian Institute of Science, Bangalore	IISc, C V Raman Road, Bangalore- 560 012

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
4	Construction of auditoriums, halls, amphitheatre (upgradation of college) Installation of heat pumps, upgradation of medical centre Renovation of conference hall Village Khubavali, PO Paud, Taluka Mulshi, Pune	412108	25th April, 2023, 27th June, 2023, 8th September, 2023 17th November, 2023 Under construction – Not applicable	1.56	CSR00019118	The Mahindra United World College of India	Village Khubavali, PO Paud, Taluka Mulshi, Pune 412108
5	Construction of Dormitories for girls hostel Jirdin, Aalo, West Siang, Arunachal Pradesh	791001	Under construction – Not applicable	0.60	CSR00014617	Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust	Bage Tinali, VKV Nirjuli Complex Nirjuli Papumpare District, 791 109
6	C-Arm machine for urology dept Sarjapur Road, Koramangala, Bangalore (**Refer note 3)**	560034	20th June 2023	0.41	CSR00008207	CBCI Society For Medical Education	Sarjapur Road, Koramangala, Bangalore – 560034
7	CCTV camera, Smart Photocopier, Smart Classroom set-up, Sound Equipment Fatehpura, Udaipur Rajashtan	313004	23rd September, 2023 25th September, 2023 26th September, 2023 27th September, 2023 28th September, 2023 30th September, 2023, 9th October, 2023 16th October, 2023 19th October, 2023 27th October, 2023 29th October, 2023, 1st November, 2023 3rd November, 2023 8th November, 2023 9th November, 2023 15th November, 2023 18th November, 2023	0.49	CSR00003180	Vidya Bhawan Society	Vidya Bhawan Society Office, Dr. Mohan Sinha Mehta Marg, Fatehpura, Udaipur, 313004

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
8	Pilot plant for conversion of rice husk/ stubble to value added products KIIT University, Patia, Bhubaneshwar **(Refer note 4)**	751024	18th April, 2023 2nd May, 2023 7th September, 2023, 17th November, 2023	0.25	CSR00002635	KIIT Technology Business Incubator	Campus 11, KIIT University, Patia, Bhubaneshwar - 751024
9	Construction of hostel for girl students (Television Set, Inverters, Solar system, Furniture (Cabinets, wardrobes etc) Village Akalpur, Marh Block Jammu District	180002	Under construction – Not applicable	1.47	CSR00002223	Borderless World Foundation	C1/1, S No 14/15 Yashwantrao Chavan Nagar Dhankwadi, Pune 411043
10	Ventilators 185/1, A.J.C. Bose Road, Kolkata **(Refer note 5)**	700017	14th June 2023	0.19	CSR00000975	Institute of Neurosciences Kolkata (I-NK)	185/1, A.J.C. Bose Road, Kolkata - 700017
11	Laptops and accessories , Furniture, charts, smartboards , Artificial Insemination gun , containers dressing, signboards scissor etc. Multiple locations	572202	9th April, 2023 7th July, 2023 8th August, 2023 23rd August, 2023 16th February 2024 27th February 2024 26th March, 2024 27th March, 2024 30th March, 2024	0.17	CSR00000259	BAIF Institute for Sustainable Livelihoods and Development	Dr Manibhai Desai Nagar, NH-4 , Bypass , Warje , Pune -411058
12	Laptops & Tablets Ujagar Compound, opposite Deonar bus depot, off Sion - Trombay Road, MBPT Colony, Deonar, Chembur, Mumbai	400088	24th April , 2023 29th April , 2023 20th May ,2023 26th May ,2023 2nd June, 2023 16th June, 2023 20th June, 2023 19th July, 2023 25th July 2023, 2nd August, 2023, 17th August, 2023 19th October, 2023 9th November, 2023, 11th January, 2024 1st March, 2024	0.17	CSR00001785	Kotak Education Foundation	Ujagar Compound, opposite Deonar bus depot, off Sion - Trombay Road, MBPT Colony, Deonar, Chembur, Mumbai, 400088

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
13	Construction of hostel for Intellectual disable children Shenda Park, Kolhapur **(Refer note 6)**	416013	31st March, 2024	0.11	CSR00025955	Chetana Apangamati Vikas Sanstha	Shenda Park, Kolhapur – 416013
14	Interior fabrication of Mobile Medical Dispensary Van Dharma Sadan, 4th floor, Shri Swaminarayan Mandir, Shahibaug Road, Ahmedabad **(Refer note 7)**	380004	2nd August, 2023	0.08	CSR00004193	Bochasanwasi Shri Akshar Purushottam Public Charitable Trust (BAPS)	Dharma Sadan, 4th floor, Shri Swaminarayan Mandir, Shahibaug Road, Ahmedabad-380004
15	Compressed Air Flow Meter, Power Clamp Meter, Steam Trap Testing Meter Indian Institute of Technology Madras IIT P.O., Chennai	600036	15th September, 2023 22nd September, 2023 3rd October, 2023	0.07	CSR00004320	Indian Institute of Technology, Madras	Indian Institute of Technology, Chennai - 600036
16	Binoculars, GPS receiver, Laser Ranger Finder, Digital SLR Camera, Zoom Lens, Tripod, External Drive, Memory Card Tata Steel Foundation Gopalpur, Ganjam	761002	10th October, 2023	0.07	CSR00001142	Tata Steel Foundation	Tata Steel Foundation, 6th Floor, One Forbes, No. 1, Dr. V.B. Gandhi Marg, Fort, Mumbai, 400001
17	Construction of hostel facility* Anav, Sindhudurg	416812	Advance paid – Asset yet to be delivered (Not applicable)	0.07	CSR000002161	Manav Sadhan Vikas Sanstha	Plot No. 27, Sector No. 4, Near Varad Vinayak Mandir, Koparkhairne, Navi Mumbai - 400 709.

** Advances paid against construction/acquisition of capital assets, however the same has not been created/acquired during the year (For Sr no 4, 5, 9 & 17)*

Notes :

1) The Bank supported cost of medical equipment for Eastern India Heart Care and Research Foundation's H P Ghosh hospital amounting to ₹ 8.00 crore, of which, ₹ 4.54 crore was paid in FY 2022-23 and balance of ₹ 3.46 crore in FY 2023-24. The project was completed in FY 2023-24.

2) The Bank supported the infrastructure and associated work at the Pullela Gopichand Badminton Academy at Gachibowli amounting to ₹ 6.50 crore, of which, ₹ 4.08 crore was paid in FY 2022-23 and balance of ₹ 2.42 crore in FY 2023-24, The project was completed in FY 2023-24.

3) The Bank supported cost of medical equipment (C-arm machine for urology dept) for St Johns Medical College, Bengaluru amounting to ₹ 0.56 crore of which ₹ 0.15 crore was paid in FY 2022-23 and balance ₹ 0.41 crore was disbursed in FY 2023-24. The project was completed in FY 2023-24.

4) The Bank supported cost of construction of semi pilot plant for conversion of rice husk stubble to valuable products amounting to ₹ 0.50 crore, of which ₹ 0.25 crore, was disbursed in FY 2022-23 and balance ₹ 0.25 crore, in FY 2023-24. The project got completed in FY 2023-24.

5) The Bank supported cost of medical equipment (Ventilators) for I-NK Super Specialty Neuro Care Hospital, Kolkata amounting to ₹ 0.38 crore, of which ₹ 0.19 crore, was paid in FY 2022-23 and balance of ₹ 0.19 crore, in FY 2023-24. The project was completed in FY 2023-24.

6) The Bank supported cost of construction of hostel facility for intellectually disabled children amounting to ₹ 0.41 crore, of which ₹ 0.31 crore was paid in FY 2022-23 and balance of ₹ 0.10 crore, in FY 2023-24. The CSR project for construction of hostel facility was completed in FY 2023-24.

7) The Bank supported one mobile medical dispensary van for deployment at BAPS Pramukh Swami Hospital, Dabhoi Gujarat amounting to ₹ 0.26 crore , of which advance for procurement of dispensary van of ₹ 0.18 crore, was paid in FY 2022-23 and balance of ₹ 0.08 crore, for installation of equipment and fixtures was disbursed in FY 2023-24. The project was completed in FY 2023-24.

(iii) Capital assets created/acquired from Unspent CSR spent of FY 2021-22:

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of Kotak-IIsc AI-ML Centre **(Refer Note)** C V Raman Road, Bangalore	560012	Under construction not completed	27.75	CSR00007370	Indian Institute of Science, Bangalore*	IISc, C V Raman Road, Bangalore-560012
2	Job portal development for PwD Plot no.4, 8-2-686/D/1/G/4, Kanchi Thatti, Khana Road no12, Banjara Hills, Hyderabad	500034	9th May 2023 9th June 2023	0.28	CSR00002046	Youth 4 Jobs Foundation	Plot no.4, 8-2-686/D/1/G/4, kanchi Thatti, Khana Road no12, Banjara Hills, Hyderabad - 500034
3	Equipment for the Skill Development Center: Autoclave vertical, Breast Examination Model for Skill Trainer, Digital camera, locker, auditorium chair etc. Dr. Babasaheb Ambedkar Hospital, Samaj Mandir Rd, Laxminagar, Khopoli	410203	30th October, 2023 11th October, 2023 12th September, 2023 14th September 2023 18th July, 2023 1st April, 2023	0.10	CSR00001287	Tata Memorial Hospital	Tata Memorial Centre, Dr. E Borges Marg, Parel, Mumbai 400012

Note:

In FY 2021-22, the Bank has undertaken CSR Project with implementing organisation Indian Institute of Science for construction of Kotak-IIsc AI-ML centre, cost of CSR Project being ₹ 73.00 crore of which ₹ 3.30 crore were paid in FY 2021-22, ₹ 6.60 crore in FY 2022-23 and ₹ 27.75 crore in FY 2023-24. This is advance paid against construction of capital asset and construction is not completed i.e capital asset has not been created during FY 2023-24.

(iv) Capital assets created/acquired from Unspent CSR spent of FY 2020-21

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ crore)	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of building - badminton academy (**Refer note 1)** Survey No. 91, ISB Road, Madhava Reddy Colony, Gachibowli, Hyderabad, Telangana	500032	31st March, 2024	1.79	CSR00001555	Pullela Gopichand Badminton Foundation	Survey No. 91, ISB Road, Madhava Reddy Colony, Gachibowli, Hyderabad, 500032
2	Construction of Autism Resource Center (**Refer note 2)** Shanay Autism Resource Centre, B/18 Khanda Colony, Sector 07, New Panvel Navi Mumbai	410206	31st March , 2024	0.24	CSR00001865	Society of Parents of Children with Autistic Disorders	BMC School Building, Natwar Nagar, Road no.5, Jogeshwari East, Mumbai - 400060
3	Re-development and Modernisation of Mata Ramabai Ambedkar Worli crematorium **(Refer note 3)** Mata Ramabai Ambedkar Smashan Bhumi, Dr E Moses Road, Worli, Mumbai	400018	31st January 2024	0.75	CSR00000249	Hiralal Parekh Parivar Charity Trust	1004, B Phoenix Towers, , Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra 400013

Notes:

1) The cost of construction of badminton academy under the CSR Project undertaken in FY 2020-21 is ₹ 34 crore, of which, ₹ 32.21 crore was spent upto FY 2022-23. The Badminton academy was constructed and commissioned in FY 2022-23, however, the CSR Project with implementing organisation was completed in FY 2023-24 when retention money of ₹ 1.79 crore was disbursed to the contractor appointed by the implementing organisation for fulfilment of contract (i.e for construction and commissioning of badminton academy).

2) The total cost of building under the CSR Project undertaken in FY 2020-21 is ₹ 3.80 crore, of which, ₹ 3.56 crore was spent upto FY 2022-23. While the building was constructed and commissioned in FY 2022-23, the CSR Project with implementing organisation was completed in FY 2023-24, on account of retention money of ₹ 0.24 crore was disbursed in FY 2023-24 to the contractor appointed by the implementing organisation for fulfilment of contract. (i.e construction of Autism resource centre).

3) The cost of re-development and re-construction of Mata Ramabai Ambedkar Worli crematorium under the CSR Project undertaken in FY 2020-21 supported by the Bank is ₹ 2.40 crore, of which, ₹ 1.65 crore disbursed upto FY 2022-23 and balance ₹ 0.75 crore was disbursed in FY 2023-24. Accordingly, the re-development and re-construction of the said facility i.e CSR Project was completed in FY 2023-24.

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

C S Rajan
Chairman – Corporate Social Responsibility and Environmental, Social and Governance Committee

Date: 29th June, 2024
Place: Mumbai

Ashok Vaswani
Managing Director & CEO

Date: 29th June, 2024
Place: Mumbai

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees for the financial year:

Directors	Title	Ratio (Incl SAR, Excl ESOP)
Mr. C S Rajan	Non-Executive Independent Part-time Chairman	8.37x
Mr. Uday Khanna	Independent Director	8.83x
Mr. Uday Shankar	Independent Director	7.50x
Dr. Ashok Gulati	Independent Director	8.46x
Ms. Ashu Suyash	Independent Director	11.30x
Mr. Eli Leenaars (w.e.f. 1st January, 2024)	Independent director	1.23x
Mr. C Jayaram	Non-Executive Director	10.79x
Mr. Amit Desai	Non-Executive Director	5.59x
Mr. Uday Kotak	Non-Executive Director	5.55x
Mr. Ashok Vaswani (w.e.f. 1st January, 2024)	Managing Director & CEO	21.05x
Mr. KVS Manian	Joint Managing Director	78.85x
Ms. Shanti Ekambaram	Deputy Managing Director	85.84x
Mr. Prakash Apte (till 31st December, 2023)	Non-Executive Independent Part-time Chairman	7.93x
Mr. Dipak Gupta (till 31st December, 2023)	Joint Managing Director (till 1st September, 2023)	105.92x
	Managing Director & CEO (from 2nd September, 2023 till 31st December, 2023)	

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Directors/Key Managerial Personnel	Title	% increase in remuneration (Incl SAR, Excl ESOP)
Mr. C S Rajan	Non-Executive Independent Part-time Chairman	513.50%
Mr. Uday Khanna	Independent Director	49.54%
Mr. Uday Shankar	Independent Director	36.82%
Dr. Ashok Gulati	Independent Director	43.19%
Ms. Ashu Suyash	Independent Director	138.42%
Mr. Eli Leenaars (w.e.f. 1st January, 2024)	Independent director	-
Mr. C Jayaram	Non-Executive Director	54.79%
Mr. Amit Desai	Non-Executive Director	141.18%
Mr. Uday Kotak	Managing Director & CEO (till 1st September, 2023)	0
Mr. Uday Kotak	Non-Executive Director (from 2nd September, 2023)	-
Mr. Ashok Vaswani (w.e.f. 1st January, 2024)	Managing Director & CEO	-
Mr. KVS Manian	Joint Managing Director	8.55%
Ms. Shanti Ekambaram	Deputy Managing Director	-
Mr. Prakash Apte (till 31st December, 2023)	Non-Executive Independent Part-time Chairman	-
Mr. Dipak Gupta (till 31st December, 2023)	Joint Managing Director (till 1st September, 2023)	-
	Managing Director & CEO (from 2nd September, 2023 till 31st December, 2023)	
Mr. Jaimin Bhatt	Group Chief Financial Officer	19.23%
Ms. Avan Doomasia	Company Secretary	18.64%

3. Percentage increase in the median remuneration of employees in the financial year:[1]

For employees other than Key Managerial Personnel who were in employment for the whole of FY 2022-23 and FY 2023-24, increase in the median remuneration is 7.90%.

4. Employees on the rolls of Bank at the end of the year: 77,923 (Permanent: 60,438; Others: 17,485)

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

For employees other than Key Managerial Personnel who were in employment for the whole of FY 2022-23 and FY 2023-24, the average increase was 15.41% (Incl SAR, Excl ESOP).

Average increase for Key Managerial Personnel is 20.55% (Incl SAR, Excl ESOP).

6. Affirmation that the remuneration is as per the remuneration policy of the Bank:

The Bank is in compliance with its Compensation Policy.

Notes:

1. *Median remuneration has been calculated for permanent employees who were in employment for the whole of FY 2022-23 and FY 2023-24.*
2. *Ratio of the remuneration of each Director to the median remuneration is calculated based on the remuneration entitled for the period of office held by them as a Director during FY 2023-24.*
3. *Remuneration includes Fixed Pay + Variable Pay paid during the year + perquisite value (excluding Stock Options) as calculated under the Income Tax Act, 1961.*
4. *SARs are awarded as Variable Pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified value dates. Cash paid out during the year is included for the purposes of remuneration.*
5. *The remuneration of the Non-Executive Directors (other than the Non-Executive Independent Part-time Chairman) of the Bank, for FY 2022-23 and FY 2023-24, comprises (i) compensation in the form of fixed remuneration as per limits prescribed by Reserve Bank of India ("RBI") and the relevant resolution passed by the members at the Thirty-Sixth Annual General Meeting and (ii) sitting fees for attending the Board/Committee meetings. The Non-Executive Independent Part-time Chairman received sitting fees for attending meetings of the Board/Committees and a fixed remuneration, as approved by the Board and the RBI, within the limit approved by the members of the Bank.*
6. *Percentage increase in remuneration has been given for Directors who were on the Board of the Bank for the entire FY 2022-23 and FY 2023-24.*
7. *Mr. Uday Kotak had opted to forego his fixed salary and accepted a token salary of Re. 1 during his tenure as Managing Director & CEO of the Bank, till 1st September, 2023. He is holding the position of a Non-Executive Director, with effect from 2nd September, 2023 and has received sitting fees.*
8. *Upon completion of his term on 31st December, 2023, Mr. Prakash Apte ceased to be a Director and Non-Executive Independent Part-time Chairman of the Bank. During his tenure as the Non-Executive Independent Part-time Chairman, Mr. Apte was entitled to a fixed remuneration of ₹ 30 lakh per annum till 31st December, 2023, as approved by the Board, the members and the RBI.*
9. *Mr. C S Rajan was appointed as a Non-Executive Independent Part-time Chairman of the Bank, with effect from 1st January, 2024. Mr. Rajan is entitled to a fixed remuneration of ₹ 33 lakh per annum from 1st January, 2024, as approved by the Board, the members and the RBI.*
10. *Mr. Dipak Gupta, Joint Managing Director, was appointed as the Managing Director & CEO of the Bank from 2nd September, 2023 till 31st December, 2023. Mr. Gupta superannuated on 31st December, 2023 on completion of his term and thus ceased to be the Managing Director & CEO and Director.*
11. *Mr. Ashok Vaswani was appointed as the Managing Director & CEO of the Bank, with effect from 1st January, 2024.*
12. *Mr. KVS Manian and Ms. Shanti Ekambaram, both Whole-time Directors, were re-designated as Joint Managing Director and Deputy Managing Director, respectively, with effect from 19th March, 2024.*

[1]*GRI 2-21*

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kotak Mahindra Bank Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Mahindra Bank Limited** (hereinafter called the "**Bank**").

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

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

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

(i) The Companies Act, 2013 (the "Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye - Laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as applicable;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable and as amended from time to time:

  (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the period under review)**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible securities) Regulations, 2021;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; **to the extent applicable to the Bank**

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the period under review)**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the period under review)**

  (i) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

  (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

  (k) The Securities and Exchange Board of India (Custodian) Regulations, 1996;

  (l) The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Market) Regulations, 2007;

  (m) The Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011;

  (n) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;

(o) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and

(p) The Securities and Exchange Board of India-guidelines for Anti-Money Laundering Measures.

(vi) Other laws applicable specifically to the Bank namely;

a) The Banking Regulation Act, 1949 and Rules, Notifications, Circulars and Guidance issued by the Reserve Bank of India and as amended from time to time.

b) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

c) The Prevention of Money-Laundering Act (PMLA), 2002 and the Prevention of Money Laundering (Maintenance of Records, etc) Rules, 2005.

(vii) Other laws to the extent applicable to the Bank as per the representations made by the Bank;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;

(ii) The Listing Agreement entered into by the Bank BSE Limited and National Stock Exchange of India read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

Adequate Notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meeting was held at shorter notice to transact urgent business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period the following events occurred during the year which have a major bearing on the Bank's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc referred to above:

1. Issuance of Senior, Rated, Listed, Unsecured, Redeemable, Long Term Fully Paid Up Non-Convertible Bonds in the nature of Debentures ("NCDs") for an aggregate amount of ₹ 2,895 crore (₹ 1,895 crore under ISIN: INE237A08973 and ₹ 1,000 crore under ISIN: INE237A08981) issued on a Private Placement basis.

2. On March 13, 2024, the Bank has duly made payment of the entire Call Option Price on exercise of Call Option on 100,00,00,000 nos. of 8.10% Perpetual Non-Cumulative Preference Shares (ISIN: INE237A04014) ("PNCPS") and paid dividend thereon.

3. During the year, Bank has issued 13,64,316 Equity Shares of the face value of ₹ 5/- under the Employee Stock option Scheme of the Bank.

4. Approval of "Kotak Mahindra Equity Option Scheme 2023" for eligible employees of the Bank obtained on December 22, 2023 by way of Postal Ballot.

5. Approval of "Kotak Mahindra Equity Option Scheme 2023" for eligible employees of the subsidiaries of the Bank obtained on December 22, 2023 by way of Postal Ballot.

6. Approval of "Kotak Mahindra Stock Appreciation Rights Scheme 2023" for eligible employee of Bank and its subsidiaries, at the Board Meeting held on November 17, 2023.

Rupal Dhiren Jhaveri
FCS: 5441
Certificate of Practice No.: 4224
UDIN: F005441F000635906
Peer Review Number: 1139/2021

Place: Mumbai
Date: June 29, 2024

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

To,
The Members,
KOTAK MAHINDRA BANK LIMITED

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

'Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the Bank. My responsibility is to express an opinion on these secretarial records based on my audit.

2. The audit practices and processes as followed by us were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Rupal Dhiren Jhaveri
FCS: 5441
Certificate of Practice No.: 4224
UDIN: F005441F000635906
Peer Review Number: 1139/2021

Place: Mumbai
Date: June 29, 2024

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Mahindra Life Insurance Company Limited** ("**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ("FEMA")and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the audit period);
5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable to the Company;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; to the extent applicable to the Company;
7. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable to the Company;

   The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Audit Period as the Company is not a listed entity:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   (h) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; and

   (i) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;

8. Other laws to the extent applicable to the Company as per the representations made by the Company namely,

   (a) The Insurance Act, 1938; and amendments thereto;

   (b) Insurance Regulatory And Development Authority Act, 1999; and amendments thereto;

   (c) Insurance Rules, 1939; as amended from time to time;

   (d) Guidelines, Regulations, Notification and Circulars issued by the Insurance Regulatory & Development Authority of India (IRDAI) from time to time.

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

(1) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

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

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

I further report that

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

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

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

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

I further report that during the audit period:

1. Mr. Sanjeev Kumar Pujari (DIN: 09199663), has been appointed as Additional Director (Independent Director) of the Company at Board Meeting held on April 26, 2023 for a term of 3 consecutive years from April 26, 2023 to April 25, 2026 and he was appointed as Independent Director at 23rd Annual General Meeting.

2. Mr. Chandra Shekhar Rajan (DIN: 00126063), has been appointed as Independent Director of the Company at Extraordinary General Meeting held on December 23, 2023, with effect from January 1, 2024 for a term of 5 years.

3. Mr. Mahesh Balasubramanian (DIN: 02089182), has been re-appointed as Managing Director of the Company at Extraordinary General Meeting held on March 28, 2024, with effect from May 1, 2024 for a period of 2 consecutive years.

Rupal D. Jhaveri
Company Secretary in Practice
Membership No.: F5441
Certificate of Practice No.: 4225
UDIN: F005441F000251027
Peer Review Certificate No.: 1139/2021

Place: Mumbai

Date: 26th April, 2024

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

'Annexure A'

To,
The Members,

KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.

2. The audit practices and processes followed are appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Rupal D. Jhaveri
Company Secretary in Practice
Membership No.: F5441
Certificate of Practice No.: 4225
UDIN: F005441F000251027
Peer Review Certificate No.: 1139/2021

Place: Mumbai
Date: 26th April, 2024

Report on Corporate Governance[1]

PHILOSOPHY OF CORPORATE GOVERNANCE

Kotak Mahindra Bank Limited ("Bank") believes that Corporate Governance is a reflection of its value system, encompassing its culture, policies and relationship with the stakeholders such as shareholders, regulators, employees, customers, vendors, government and the community at large. Corporate Governance for the Bank is a system of practices, processes and rules, which direct its affairs in an efficient manner and help it to maximise value for its stakeholders. Corporate Governance is more than just adherence to the regulatory and statutory requirements, it is equally about focusing on the voluntary practices that underlie the highest levels of transparency.

Corporate Governance provides a framework for attaining the objectives of the Bank and encompasses every sphere of management from action plans and internal controls to performance measurement, ethics and corporate disclosures. Good Corporate Governance helps to build trust with the investors and the community and in creating, enhancing and safeguarding long-term interest and sustainable value for all its stakeholders. The Bank is committed to meeting the aspirations of all its stakeholders and creating a valuable relationship and trust with its stakeholders. Strong Corporate Governance practices form the foundation of the Bank's consistent performance and has helped in gaining the respect and long-term association with its stakeholders.

The Bank is committed to achieving and adhering to the highest standards of Corporate Governance and ethical practices and constantly benchmarks itself with best practices, in this regard. The Bank's philosophy on Corporate Governance is based on the core principles of Accountability and Responsibility, Integrity, Independence, Leadership, Excellence, Fair, Transparent and timely dealings and disclosures, Equality, Sustainability and Social Responsibility.

The Board of Directors ("Board") of the Bank ensures the basis of an effective Corporate Governance framework by safeguarding and enhancing the shareholders' capital, ensuring independence of the Board and effectiveness of the management, legal compliance and responsible leadership.

The Bank has adopted the Codes of Conduct for Directors and employees, which lay down the values and standard of conduct that is expected from them, while performing their roles and responsibilities across various functions. The Bank has also adopted the Policy on Board Diversity, Vigilance Policy, Whistle Blower Policy, Policy against Sexual Harassment in the Workplace, Policy for determination of materiality of events or information and the Insider Trading Code of Conduct.

BOARD OF DIRECTORS[1]

The Board provides guidance to the management and directs, oversees and supervises the activities of the Bank. The responsibilities of the Board, *inter alia*, include the formulation of overall strategy for the Bank and its subsidiaries ("Kotak Mahindra Group"), taking new initiatives, reviewing financial and operating performance, overseeing major capital expenditure, acquisitions, monitoring of plans, ensuring and monitoring due compliance with applicable laws, pursuing policies and procedures, reviewing and approving the financial results, reviewing risk factors, adhering and enhancing Corporate Governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders. The Board is responsible for providing strategic guidance for the business and overall affairs of the Bank, ensuring effective monitoring of management and avoiding potential conflicts of interest. The Managing Director & CEO reports to the Board and is responsible for the overall business performance along with the Whole-time Director(s). The Board has constituted various Board and non-Board Committees to deal with matters, as may be prescribed under applicable laws or directed by the Board, from time to time.

The Board has received declarations from the Independent Directors and after undertaking due assessment of the veracity of the same, is of the opinion that the Independent Directors fulfil the conditions as specified in the Companies Act, 2013 ("Act") read with rules thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and are independent of the management.

SIZE AND COMPOSITION OF THE BOARD

The size of the Board is commensurate with the size and business of the Bank. The selection and appointment of Directors of the Bank and its composition is governed by the relevant provisions of the Act and the Rules thereunder, the Banking Regulation Act, 1949 ("BR Act"), the SEBI Listing Regulations and the guidelines/regulations/circulars issued by the Reserve Bank of India ("RBI"), from time to time and is in conformity with the same.

The Board has a mix of Independent, Non-Executive and Executive Directors, with more than one-half of the Board comprising Independent Directors. The Board, currently, comprises three women directors, with two of them being independent. The Bank's Board consists of eminent individuals, having competence, expertise, experience and skills in various fields, who understand and respect their fiduciary roles and responsibilities towards its stakeholders, including the duties prescribed under the provisions of the Act and any other applicable laws and strive hard to meet their expectations at all times. The Board is well-diverse and meets the criteria prescribed under Section 10(A)(2) of the BR Act, relevant circulars issued by the RBI and Policy on Board Diversity adopted by the Board. The Board mix provides a combination of professionalism, knowledge, experience and skills required in the banking industry and for oversight, governance and strategic needs of the Bank.

[1]*GRI 2-9, GRI 2-17*

As on date, the Board comprises eleven Directors, as below:

Sr. No.	Category of Directorship	Name of the Director(s)
1.	Independent Directors	Mr. C S Rajan (Part-time Chairman)
2.		Mr. Uday Khanna
3.		Mr. Uday Shankar
4.		Dr. Ashok Gulati
5.		Ms. Ashu Suyash
6.		Mr. Cornelis Petrus Adrianus Joseph ("Eli") Leenaars
7.		Ms. Ketaki Bhagwati
8.	Non-Executive Directors	Mr. Amit Desai
9.		Mr. Uday Kotak
10.	Executive Directors	Mr. Ashok Vaswani, Managing Director & CEO
11.		Ms. Shanti Ekambaram, Deputy Managing Director

Notes:

i. The term of Mr. C. Jayaram as a Non-Executive Director of the Bank ended on 30th April, 2024, on completion of eight continuous years, in line with the provisions of the BR Act.

ii. Mr. KVS Manian resigned as the Joint Managing Director of the Bank on 30th April, 2024.

iii. Mr. Uday Kotak resigned as the Managing Director & CEO of the Bank, with effect from 1st September, 2023 and became a Non-Executive Director, with effect from 2nd September, 2023.

iv. Mr. Uday Kotak is the Promoter of the Bank.

PROFILE OF DIRECTORS

Brief profiles of all the Directors and their shareholding in the Bank and directorship in other companies (including in equity listed# entities/debt listed^ entities/entities which have listed units of mutual fund schemes managed by them$) are, given below:

Mr. C S Rajan, Non-Executive Independent Part-time Chairman[2]

Mr. C S Rajan, a Post Graduate in History, is an accomplished leader with 46 years of experience in public life. He was appointed as an Independent Director on the Board of the Bank, with effect from 22nd October, 2022 and as Chairman, with effect from 1st January, 2024.

An IAS officer of the 1978 batch, Mr. Rajan retired as the Chief Secretary of the Government of Rajasthan in 2016. He served in leadership roles for 12 years in key Infrastructure sectors, such as, Energy, Highways, Water Resources and Industry, including SSI/MSME and enjoyed a long stint of 14 years in Agriculture and Rural Development. During his years as an IAS officer, he has also been exposed to the fields of Human Resources, Finance and General Administration. He has served on inter-disciplinary teams for review of World Bank Agriculture projects in other States and also as a Consultant to the World Bank in a Study on 'Farmer Participation in Agricultural Research and Extension System' which was later published as a book co-authored by him.

After his retirement from active service in July 2016, Mr. Rajan served as Deputy Chairman in the Chief Minister of Rajasthan's Advisory Council for a period of two and half years. In October 2018, Mr. Rajan was appointed by the Government of India on the Board of Infrastructure Leasing and Financial Services Limited ("IL&FS"), initially as Director from October 2018 to April 2019, thereafter as Managing Director from April 2019 to April 2022, then as Chairman & Managing Director from April 2022 to October 2022 and, since then, he has been serving as the Non-Executive Chairman of IL&FS.

DIN	00126063
Age (years)	68
Date of appointment	22nd October, 2022
Shareholding in the Bank	Nil
Board Membership in other listed entities	1. Infrastructure Leasing and Financial Services Limited^ (Non-Executive Chairman)
	2. IL&FS Transportation Networks Limited# (Nominee Director)
Board Membership in unlisted entities	1. IL&FS Financial Services Limited (Nominee Director)
	2. IL&FS Energy Development Company Limited (Nominee Director)
	3. Roadstar Investment Managers Limited (Non-Executive Chairman)
	4. Kotak Mahindra Life Insurance Company Limited (Independent Director)

[2]*GRI 2-11*

Committee Positions in other entities	1. Infrastructure Leasing and Financial Services Limited	• Group Risk Management Committee	Member
		• Nomination & Remuneration Committee	Member
		• Audit Committee	Member
		• Stakeholders Relationship Committee	Member
	2. IL&FS Transportation Networks Limited	• Nomination & Remuneration Committee	Member
		• Corporate Social Responsibility Committee	Member
		• Stakeholders Relationship Committee	Member
	3. IL&FS Financial Services Limited	• Audit Committee	Member
		• Nomination & Remuneration Committee	Member
		• Corporate Social Responsibility Committee	Member
		• Stakeholders Relationship Committee	Member
		• Risk Management Committee	Member
	4. IL&FS Energy Development Company Limited	• Nomination & Remuneration Committee	Chairperson
		• Audit Committee	Member
	5. Roadstar Investment Managers Limited	• Corporate Social Responsibility Committee	Chairperson
	6. Kotak Mahindra Life Insurance Company Limited	• Risk Management Committee	Chairperson
		• Audit Committee	Member
		• Nomination & Remuneration Committee	Member

Mr. Uday Khanna, Independent Director

Mr. Uday Khanna is a Chartered Accountant by qualification. Mr. Khanna was the Financial Controller and Treasurer of Hindustan Unilever Limited ("HUL") and was, thereafter, Director - Exports. He has also worked as Vice Chairperson of Lever Brothers in Nigeria and General Auditor for Unilever - North America, based in the USA and was the Senior Vice President - Finance, Unilever - Asia, based in Singapore. Thereafter, Mr. Khanna joined the Lafarge Group in Paris in June 2003 as Senior Vice President for Group Strategy, after an extensive experience of almost 30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles, both nationally and internationally. Mr. Khanna was also the Managing Director & CEO of Lafarge India from July 2005 to July 2011 and the Non-Executive Chairperson of Lafarge India from July 2011 to September 2014. He was the Chairperson (Independent) of Bata India Limited from June 2011 to August 2019.

Mr. Khanna has been the past President of the Bombay Chamber of Commerce and Industry and also of the Indo French Chamber of Commerce and Industry. He was the recipient of the 'L'ordre National du Mérite' from the President of the Republic of France for his contribution in promoting Indo-French trade relations. He was a Joint Managing Trustee of the Indian Cancer Society up to September 2020. Mr. Khanna was the recipient of the 'Best Independent Director' award by Asian Centre for Corporate Governance Sustainability in 2018.

DIN	00079129		
Age (years)	74		
Date of appointment	16th September, 2016		
Shareholding in the Bank	5,500 equity shares		
Board Membership in other listed entities	1. Pfizer Limited# (Independent Director)		
	2. Castrol India Limited# (Independent Director)		
Board Membership in unlisted entities	The Anglo Scottish Education Society (Member - Board of Governors) (Section 8 company)		
Committee Positions in other entities	1. Pfizer Limited	• Audit Committee	Chairperson
		• Nomination & Remuneration Committee	Chairperson
		• Stakeholders Relationship Committee	Member
	2. Castrol India Limited	• Audit Committee	Chairperson
		• Nomination & Remuneration Committee	Member

Mr. Uday Khanna was an Independent Director on the Board of Pidilite Industries Limited# and retired on 2nd April, 2024, upon completion of his second term. He, consequently, ceased to be a member of its Audit Committee and Risk Assessment Committee.

Mr. Uday Shankar, Independent Director

Mr. Uday Shankar is a highly acclaimed entrepreneur, executive and founder director at Bodhi Tree Systems. He has achieved global recognition for creating the largest media and entertainment business in the Asia-Pacific region. Trained as a journalist, Mr. Shankar has led the transformation of the media and entertainment (M&E) landscape in India and the region over the last three decades.

After a distinguished corporate journey, Mr. Shankar turned entrepreneur in 2021. Mr. Shankar launched Bodhi Tree Systems to use technology to redefine consumer sectors that represent significant opportunities but suffer from a lack of capital and innovation—media, education and healthcare. Bodhi Tree Systems has forged two strategic alliances with technology as the core driver of value creation: (i) ALLEN: Partnered with one of India's largest and most reputed education institute, to address the learning challenges of millions of Indian students through technology; (ii) Viacom18: Partnered for establishment of one of India's leading integrated TV and digital M&E enterprises. In both ventures, Mr. Shankar is deeply involved in all aspects of technology, serving as a mentor and providing guidance and feedback on product development, design, tech and innovation roadmap and recruiting the entire leadership, attracting talent from the globally-known tech companies.

Earlier, Mr. Shankar served as President of The Walt Disney Company Asia Pacific and Chairman of Disney & Star India. Under his leadership, Star transformed into the region's leading company, distinctively placed at the intersection of media, entertainment and technology. He is credited with pioneering the streaming revolution in India and the APAC region. Beyond his corporate roles, Mr. Shankar is also the first media executive to be the President of the Federation of Indian Chambers of Commerce and Industry (FICCI). He is associated with the US-India Strategic Partnership Forum (USISPF) and his social initiatives include Malaria No More (MNM).

Mr. Shankar's exceptional accomplishments have earned him numerous honors. Recognized by Forbes India as the "Best CEO (MNC)" for 2015 and named "Entrepreneur of the Year (Entrepreneurial CEO)" by EY for 2016, his achievements resonate widely. His inclusion in distinguished listings like the Indian Express' "100 Most Powerful Indians" and India Today's "50 Most Powerful People in India" reinforces his impact. Moreover, he was named the "Impact Person of the Decade – Media" by Impact Magazine.

Mr. Shankar holds a Master in Philosophy (M. Phil.) and Master of Arts (M. A.) honors from Jawaharlal Nehru University.

DIN	01755963		
Age (years)	62		
Date of appointment	16th March, 2019		
Shareholding in the Bank	491 equity shares		
Board Membership in other listed entities	The Great Eastern Shipping Company Limited# (Independent Director)		
Board Membership in unlisted entities	1. Viacom 18 Media Private Limited (Director) 2. Marigold Park Capital Advisers Private Limited (Director) 3. Apollo Health and Lifestyle Limited (Independent Director) 4. Vidhi Centre for Legal Policy (Director) (Section 8 company) 5. Business Standard Private Limited (Director) 6. Allen Career Institute Private Limited (Nominee Director) 7. Asia Initiative PTE Limited (Director) 8. Bodhi Tree Systems VCC (Director) 9. Asia Initiative 2 PTE Limited (Director)		
Number of Committee Positions in other entities	1. The Great Eastern Shipping Company Limited	• Nomination & Remuneration Committee	Member
	2. Allen Career Institute Private Limited	• Strategic Committee	Member

Dr. Ashok Gulati, Independent Director

Dr. Ashok Gulati is a M.A. and Ph.D. from the Delhi School of Economics. Currently, he is a Distinguished Professor at the Indian Council for Research on International Economic Relations (ICRIER). Prior to this, he was the Chairperson of the Commission for Agricultural Costs and Prices (CACP), Government of India (2011-2014). He has been an Independent Director on the Central Board of Directors of RBI, National Bank for Agriculture and Rural Development (NABARD) and National Commodity and Derivatives Exchange Limited (NCDEX). He is currently a member of the Eleventh Audit Advisory Board of the Comptroller and Auditor General of India.

Dr. Gulati was a Director at the International Food Policy Research Institute (IFPRI) from 2001 to 2011. He was also a member of the Economic Advisory Council of Prime Minister, Late Shri Atal Bihari Vajpayee. Dr. Gulati has been deeply involved in policy analysis and advice for India. He was also a member of the Committee appointed by the Hon'ble Supreme Court on the Farm Laws. For his contributions to the field, the President of India honoured him with the 'Padma Shri' award in 2015. Dr. Gulati has 18 books to his credit on Indian and Asian Agriculture, besides numerous research papers in national and international Journals. He has been a prolific writer in leading newspapers in India, with his column "From Plate to Plough" in the Indian Express and Financial Express.

DIN	07062601
Age (years)	70
Date of appointment	6th March, 2021
Shareholding in the Bank	Nil
Board Membership in other listed entities	Godrej Agrovet Limited# (Independent Director)
Board Membership in unlisted entities	-
Number of Committee Positions in other entities	-

As on 31st March, 2024, Dr. Gulati was the Chairperson and a member of the Corporate Social Responsibility Committee of Godrej Agrovet Limited

Ms. Ashu Suyash, Independent Director

Ms. Ashu Suyash is a Chartered Accountant from the Institute of Chartered Accountants of India and completed her Bachelor's Degree in Commerce from the University of Mumbai. She has over 33 years of experience in the financial services and global information services sector, including as CEO where she led several Indian and Global businesses for over 17 years. She was the Managing Director & CEO at CRISIL Limited ("CRISIL") till September 2021 and a member of the Operating Committee of S & P Global. She serves on the Advisory Boards and Committees of several institutions such as the Insolvency and Bankruptcy Board of India (IBBI) and National Institute of Securities and Markets (NISM).

Ms. Suyash played a pivotal role in enabling CRISIL regain its ratings leadership position and transform it to become a global analytics company and solutions provider through wide-scale adoption of technology. She led CRISIL's growth through product innovation and acquisitions in a very challenging environment. Prior to her role as Managing Director & CEO of CRISIL, Ms. Suyash was the CEO of L&T Mutual Fund and the Managing Director and Country Head of Fidelity Mutual Fund. She also had a long and successful career of over 15 years with Citibank where she held several key positions across corporate, consumer and investment banking divisions.

Ms. Suyash has founded Colossa Ventures LLP, an innovative platform aimed at providing capital, capability and confidence building for women entrepreneurs and women-focussed businesses.

DIN	00494515		
Age (years)	57		
Date of appointment	24th January, 2022		
Shareholding in the Bank	Nil		
Board Membership in other listed entities	1. Hindustan Unilever Limited# (Independent Director)		
	2. Tata Elxsi Limited# (Independent Director)		
Board Membership in unlisted entities	-		
Number of Committee Positions in other entities	1. Hindustan Unilever Limited	• ESG Committee	Chairperson
		• Audit Committee	Member
		• Nomination & Remuneration Committee	Member
		• Risk Management Committee	Member
	2. Tata Elxsi Limited	• Nomination & Remuneration Committee	Chairperson
		• Risk Management Committee	Member

Mr. Eli Leenaars, Independent Director

Mr. Eli Leenaars has over 35 years of experience in the financial services sector, including institutional & investment banking, asset management, corporate & retail banking and life & general insurance. A respected expert on the future of digital banking, Mr. Leenaars has experience in managing businesses through a wide range of matters including mergers & acquisitions, complex corporate restructurings, strategic initiatives and challenging financial environments.

Mr. Leenaars enjoyed a 24-year career (since 1991) at ING Group N.V., a Dutch multinational banking and financial services company and various of its subsidiaries and held numerous key management positions, including as Chairman of ING Poland (1997-1999), Chairman & CEO of ING Latin America (1999-2002) and Chairman & CEO of ING Central & Eastern Europe (2003-2004). Between 2004 and 2015, Mr. Leenaars was member of ING's Executive Board with responsibility for ING's Global Retail & Private Banking operations and Group Technology and Operations. This also included him serving from 2010 until 2015 as CEO of ING Direct N.V., at the time the world's largest digital bank.

From April 2015 to May 2021, Mr. Leenaars served as Group Managing Director at UBS Group AG, a Swiss multinational investment bank and financial services company and as Vice-Chairman of the Global Wealth Management Division, based in Zurich.

Mr. Leenaars has served as Group Chief Operating Officer of Quintet Private Bank, a medium-sized Luxembourg-headquartered bank and wealth manager with operations in 6 European countries, from June 2021 to April 2024, based in Luxembourg.

Since January 2019, Mr. Leenaars is a Board Member of Capital One Financial Corporation, a major US bank, headquartered in McLean, Virginia, USA, with operations primarily in the USA.

Since 2009, Mr. Leenaars is a member of the European and the Global Executive Committee of the Trilateral Commission (Paris, Tokyo and Washington, DC) and was its Treasurer, between 2009 to 2022.

Mr. Leenaars has completed LL.M. from the Catholic University Nijmegen, Netherlands and the European University Institute, Florence, Italy and attended the Program for Management Development (PMD) at Harvard Business School, Boston, USA.

DIN	10438792		
Age (years)	63		
Date of appointment	1st January, 2024		
Shareholding in the Bank	Nil		
Board Membership in other listed entities	Capital One Financial Corporation* (Non-Executive Director)		
Board Membership in unlisted entities	1. Trilateral Commission (Member of the European and the Global Executive Committee) 2. Stichting Jubileumfonds 1948 en 2013 (Member of Board)		
Number of Committee Positions in other entities	Capital One Financial Corporation	• Risk Committee	Chairperson
		• Compensation Committee	Member
		• Audit Committee	Member

*Listed on NASDAQ

Ms. Ketaki Bhagwati, Independent Director

Ms. Ketaki Bhagwati serves as an Independent Director and Senior Advisor, providing leadership to companies in strategy, business development, operations, governance and financial, credit and risk management. She is currently an Independent Director on the Board of Bayer CropScience Limited. Prior to her board roles, Ms. Bhagwati held the position of Chief Investment Officer in the Financial Institutions Group at the International Finance Corporation (IFC), where she worked from 1991 to 2005, specializing in private equity, mergers & acquisitions, debt & structured finance and distressed asset workouts across various sectors in Asia, the Middle East and Africa. Before joining IFC, she worked at Credit Rating Information Services of India (CRISIL) in Mumbai.

Ms. Bhagwati is a member of the Investment Committee at Encourage Capital, a US-based impact fund focused on investments in India. She is also a Senior Advisor to the Board of KPMG India Private Limited and to the South Asia Center, Atlantic Council (USA), focusing on major economic policy issues in India. She is also a member of the Wellesley College Business Leadership Council.

Previously, Ms. Bhagwati also served as an Independent Director on the Board of Axis Bank Limited and Omniactive Health Technologies Private Limited and as a Nominee Director of IFC on the Board of Tikona Infinet Private Limited.

Ms. Bhagwati has completed Master of Public Administration in Economic Development & Finance from Harvard University's John F. Kennedy School of Government and Bachelor of Arts in Political Science from Wellesley College.

DIN	07367868		
Age	60		
Date of appointment	18th May, 2024		
Shareholding in the Bank	Nil		
Board Membership in other listed entities	Bayer CropScience Limited# (Independent Director)		
Board Membership in unlisted entities	-		
Number of Committee Positions in other entities	Bayer CropScience Limited	• Nomination and Remuneration Committee	Chairperson
		• Audit Committee	Member
		• Corporate Social Responsibility Committee	Member

Mr. Amit Desai, Non-Executive Director

Mr. Amit Desai, B. Com., LL.B., is a lawyer, with several decades of experience.

DIN	00310510
Age (years)	65
Date of appointment	18th March, 2022
Shareholding in the Bank	1,375,397 equity shares
Board Membership in other listed entities	-
Board Membership in unlisted entities	Kotak Mahindra Trustee Company Limited (Non-Executive Director)
Number of Committee Positions in other entities	-

Mr. Uday Kotak, Non-Executive Director

Mr. Uday Kotak is the Founder and Director of the Bank. He was the Managing Director & CEO of the Bank till September 2023, prior to becoming Non-Executive Director. He has played an important role in the growth of the Kotak Mahindra group over the past 38 years. Under his leadership, the Kotak Mahindra group has emerged as one of India's leading diversified and integrated financial services conglomerates, providing a range of financial solutions covering banking, asset management, alternate asset management, life and general insurance, stock broking, investment banking, private banking, microcredit and asset reconstruction.

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

Mr. Kotak is the recipient of many accolades, including the 'EY World Entrepreneur of the Year Award' in 2014, 'India Business Leader of the Year' by CNBC-TV18 at the India Business Leader Awards 2021, Life Time Achievement Award at BT-KPMG Best Banks Awards 2023, Life Time Achievement award for Management at AIMA Awards 2023 and Institution Builder award at Forbes India Awards 2024.

Mr. Kotak holds a Bachelor's degree in Commerce and a MMS degree from Jamnalal Bajaj Institute of Management Studies, Mumbai.

DIN	00007467		
Age (years)	65		
Date of appointment	21st November , 1985*		
Shareholding in the Bank	511,261,456 equity shares (Includes 234,356 equity shares held in the name of Kotak Trustee Company Private Limited as trustee for USK Benefit Trust – III, of which, Mr. Uday Kotak is the sole beneficiary)		
Board Membership in other listed entities	1. Kotak Mahindra Prime Limited^ (Non-Executive Director & Chairman) 2. Kotak Mahindra Investments Limited^ (Non-Executive Director & Chairman) 3. Kotak Mahindra Asset Management Company Limited$ (Non-Executive Director & Chairman)		
Board Membership in unlisted entities	1. Kotak Mahindra Life Insurance Company Limited (Non-Executive Director & Chairman) 2. Kotak Mahindra Capital Company Limited (Non-Executive Director & Chairman) 3. The Mahindra United World College of India (Governing Member) (Section 8 company) 4. The Anglo Scottish Education Society (Member - Board of Governors) (Section 8 company)		
Number of Committee Positions in other entities	1. Kotak Mahindra Prime Limited	• Nomination & Remuneration Committee	Member
	2. Kotak Mahindra Capital Company Limited	• Human Resource & People Development Committee	Chairperson
	3. Kotak Mahindra Life Insurance Company Limited	• Audit Committee • Nomination & Remuneration Committee	Chairperson Member

**Mr. Uday Kotak resigned as the Managing Director & CEO of the Bank, with effect from 1st September, 2023. He became a Non-Executive Director, with effect from 2nd September, 2023*

Mr. Ashok Vaswani, Managing Director & CEO

Mr. Ashok Vaswani has a proven track record spanning three and a half decades, initially at Citigroup and, thereafter, at Barclays, of building and growing global businesses at scale, nurturing winning teams, establishing transformational partnerships, leveraging forward leaning technology, with a compelling business vision to deliver strong bottom-line growth. He brings with him significant executional experience with high degree of compliance and industrial strength across financial services.

Mr. Vaswani was Chief Executive Officer of Barclays Bank, UK and subsequently CEO of their Global Consumer, Private, Corporate and Payments businesses and Member of the Group Executive Committee. Earlier, he was CEO Citigroup Asia Pacific and Member of the Citigroup Global Operating & Management Committees. Mr. Vaswani also built and ran various country and regional businesses across geographies. He also held position as President of Pagaya Technologies Ltd, a US-Israeli AI Fintech.

Mr. Vaswani supports various philanthropic organisations, including Pratham and Lend-A-Hand.

He has been on the board of several prestigious institutions such as, London Stock Exchange Group, The Forward Institute, UK, Former Trustee, Citizens Advice Bureau, Former Chairman, Retail Committee, British Bankers Association, Former Chairman of the Board, Entercard, Former Board member, SP Jain Institute of Global Management, UK, Former Board member, Telenor, Former Board Member of VISA Asia Pacific and VISA, UK, Former Director and Member of the Audit and Technology Committee for Barclays Africa Group Ltd and Former Director, UK Finance.

Mr. Vaswani is a Bachelor of Commerce, Economics and Accountancy from the Sydenham College of Commerce and Economics (Bombay University), Chartered Accountant from the Institute of Chartered Accountants of India, Company Secretary from the Institute of Company Secretaries of India and received Executive Education from the Stanford University Graduate School of Business.

DIN	10227550
Age (years)	63
Date of appointment	1st January, 2024
Shareholding in the Bank	Nil
Board Membership in other listed entities	-
Board Membership in unlisted entities	-
Number of Committee Positions in other entities	-

Ms. Shanti Ekambaram, Deputy Managing Director

Ms. Shanti Ekambaram is a Commerce Graduate, a Chartered Accountant and a Cost and Works Accountant. She has been associated with the Kotak Mahindra Group for over 30 years and has been responsible for successfully setting up and running several business units. Ms. Ekambaram currently oversees the Treasury, Human Resources, Public Affairs, 811, Corporate Social Responsibility and Environmental, Social and Governance, Legal and Secretarial functions. The Investment Banking and Institutional Equities businesses is also under the oversight of Ms. Ekambaram. Prior to her current role, she led the Consumer Banking business at the Bank from April 2014 to May 2022. Under her leadership, Bank's savings accounts base grew at an exemplary pace, probably the fastest in the Indian banking industry. Simultaneously, the focus of the business was on judiciously growing the retail loan book, both secured and unsecured. In addition, the Consumer Banking business drove its digital agenda across customer acquisition, customer adoption of banking, payments and e-commerce transactions, enhancing customer experience and deepening engagement.

Prior to this, Ms. Ekambaram was President - Wholesale and Investment Banking for 11 years until April 2014, where she was responsible for ensuring delivery of comprehensive advisory and financial solutions to leading Indian Corporates, Public Sector Undertakings, Financial Institutions, Multinationals and the Government. She was also Executive Director and CEO of Kotak Mahindra Capital Company Limited earlier and, along with her team, steered the firm to a position of market leadership. She established a franchise recognised for executing innovative deals, including pioneering the first book-built IPO in India, which ushered global standards in the Indian capital markets. Ms. Ekambaram has rich and varied experience across Retail and Wholesale Banking.

Before joining the Kotak Mahindra Group, Ms. Ekambaram had a short stint with Bank of Nova Scotia - the Canadian International Bank, with their Corporate Banking and Treasury division.

Ms. Ekambaram is on the board of Indian Institute of Management, Bangalore (IIM-B). She was a member of the FICCI National Committee on Banking for Financial Year 2021-22.

Business Today, one of India's leading business magazines, recognised Ms. Ekambaram as one of the 'Most Powerful Women in Indian Business' from 2013-2017, in 2019 and 2020. Fortune India had featured Ms. Ekambaram as one of the '50 Most Powerful Women in Business in India' from 2016-2020. Ms. Ekambaram received the 'CA Business Leader award' from the Institute of Chartered Accountants of India in the Large Corporate – BFSI category in 2020 and was also named CA Woman Business Leader in 2013. Further, the Ladies' Wing of the IMC Chamber of Commerce and Industry recognised Ms. Ekambaram as 'Woman of the Year 2013-14 in Banking and Financial Services'. She was listed by ET x Femina among the 'Promising Women Leaders of India 2022'.

DIN	00004889		
Age (years)	61		
Date of appointment	1st November, 2022*		
Shareholding in the Bank	1,333,033 equity shares		
Board Membership in other listed entities	-		
Board Membership in unlisted entities	1. Kotak Mahindra Capital Company (Non-Executive Director) 2. Kotak Securities Limited (Non-Executive Director) 3. Kotak Karma Foundation (Non-Executive Director) 4. Kotak Mahindra Financial Services Limited (Non-Executive Director)		
Number of Committee Positions in other entities	1. Kotak Mahindra Capital Company Limited	• Human Resource & People Development Committee	Member
		• Expenditure Approval Committee	Member
	2. Kotak Securities Limited	• Nomination & Remuneration Committee	Member
		• Expense Approval Committee	Member
		• Routine and Administrative Functions Committee	Member

**Ms. Shanti Ekambaram, Whole-time Director, was re-designated as Deputy Managing Director, with effect from 19th March, 2024*

STATEMENT ON DIRECTORSHIPS AND COMMITTEE POSITONS OF DIRECTORS

None of the Directors on the Board of the Bank:

(i) hold directorships in more than ten public companies and serve as Directors or as Independent Directors in more than seven listed entities or as a Whole-Time Director in any listed company. Further, the Executive Directors of the Bank do not serve as Independent Directors in any company.

(ii) are members of more than ten committees and Chairpersons of more than five committees across all public companies in which they are Directors. For the purpose of determining the limit, membership and chairpersonship of Audit Committee and Stakeholders Relationship Committee have been taken into consideration.

All the Directors have made disclosures regarding their membership on various committees in other companies.

BOARD DIVERSITY

Keeping in view the significance of having a diverse Board and to harness the unique and individual skills and experiences of its members in such a way that it collectively benefits the Bank in achieving its mission and objectives, the Board of the Bank has adopted a Policy on Board Diversity. Emphasis is given to maintain diversity of thoughts, experience, knowledge, education, skills, perspective, culture, age and gender, while scrutinizing candidature for appointment of Directors on the Bank's Board.

Board Diversity, *inter alia*, helps in ensuring (i) a balanced Board, with a wide range of attributes of its members; (ii) appropriate blend of functional and domain expertise on the Board; (iii) adequate representation of women on the Board; (iv) appropriate qualifications, expertise, experience and skills-mix on the Board and (v) adherence to the legal requirements, including the "Fit and Proper" criteria of the RBI, while appointing Directors on the Board. The Policy on Board Diversity is available on the website of the Bank viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

The Board has identified the following core skills/expertise/competencies/special knowledge or practical experience, as required in the context of the Bank's business for it to function effectively. The same are in line with the relevant provisions of the BR Act and relevant circulars issued by the RBI:

i.. Accountancy
ii. Agriculture and Rural Economy
iii. Banking
iv. Co-operation
v. Economics
vi. Finance
vii. Law
viii. Small-Scale Industry
ix. Information Technology
x. Payment & Settlement Systems
xi. Human Resources
xii. Risk Management
xiii. Business Management

The details of Director-wise skills/expertise/competencies are, as follows:

Sr. No.	Name of Director(s)	Skills/expertise/competencies
1.	Mr. C S Rajan	Agriculture and Rural Economy, Business Management, Finance, Risk Management, Small Scale Industry and Human Resources
2.	Mr. Uday Khanna	Business Management, Law, Human Resources, Economics, Finance and Accountancy
3.	Mr. Uday Shankar	Business Management, Human Resources, Economics, Digital/Media and Information Technology
4.	Dr. Ashok Gulati	Agriculture and Rural Economy, Economics, Co-operation, Banking, Small Scale Industry and Insurance
5.	Ms. Ashu Suyash	Business Management, Finance, Accountancy, Banking and Risk Management
6.	Mr. Eli Leenaars	Business Management, Human Resources, Finance, Banking, Information Technology, Law and Risk Management
7.	Ms. Ketaki Bhagwati	Banking, Risk Management, Finance, Economics and Business Management
8.	Mr. Amit Desai	Law
9.	Mr. Uday Kotak	Business Management, Economics, Finance, Banking, Insurance and Risk Management
10.	Mr. Ashok Vaswani	Business Management, Finance, Accountancy, Information Technology, Banking, Economics and Payment and Settlement Systems
11.	Ms. Shanti Ekambaram	Business Management, Finance, Accountancy, Digital/Media, Banking and Payment and Settlement Systems

SUCCESSION PLANNING

With a view to ensuring a continuous pipeline of internal and external talent for the Board (Executive Directors i.e. Managing Director & CEO and the Whole-time Directors), the Key Managerial Personnel and Senior Leadership positions, the Board of the Bank has put in place a 'Succession Plan Policy for Board and Senior Leadership Roles'. The succession process at the Bank includes periodical screening and evaluation of the suitable candidates on parameters such as knowledge, experience, expertise, skill sets, conduct, age, qualification under the relevant laws, adherence to 'fit & proper' criteria and overall readiness to take up the role. If necessary, services of external consultants/experts are also availed for scouting talent, internally and/or externally.

CERTIFICATE ON NON-DEBARMENT OR NON-DISQUALIFICATION OF DIRECTORS

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a certificate from Ms. Rupal D. Jhaveri, Practising Company Secretary dated 25th June, 2024, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the companies either by the Securities and Exchange Board of India ("SEBI") or the Ministry of Corporate Affairs ("MCA") or any other statutory/regulatory authority. The said certificate is annexed with this Report on Corporate Governance.

BOARD MEETINGS

SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

The Board meeting dates are generally decided in advance and are convened by giving appropriate notice after obtaining the approval of the Chairperson and the Managing Director & CEO. The Board meets once a quarter to review the financial results and meets once a year for approval of annual budgets, strategy and when necessary, for such other matters as required under the applicable laws and for business exigencies. The Board also reviews business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources i.e. the 'Seven Critical Themes' as prescribed by RBI vide its Circular No. DBR No.BC.93/29.67.001/2014-15 dated 14th May, 2015. In addition to the above, the Board also reviews the performance of the various functions/divisions of the Bank and the working of the Board level committees.

The Company Secretary prepares the Agenda for the Board meetings. The Agenda notes are prepared in consultation with the concerned officials of the respective divisions/departments and are approved by the Managing Director & CEO/Whole-time Director(s). The Agenda and Agenda notes are circulated to the Board by the Company Secretary, in advance.

Every Director is free to suggest matters for including in the meetings of the Board. All divisions/departments in the Bank are encouraged to plan projects/activities of their functions well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board meetings. All such matters are communicated to the Company Secretary in advance such that the same could be included in the Agenda for the Board meetings. Additional items on the agenda are considered with the permission of the Chairperson and with the consent of all the Directors present at the meeting.

The Board is presented with important information on the operations of the Bank as well as matters which require deliberation at the highest level. Such Information includes minimum information required to be placed before the Board as per applicable law and on various other critical items, such as, guiding Corporate Strategy, major plans of action, Risk Policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments quarterly results, minutes of meetings of the Committees, changes in the economy and regulatory policies, etc.

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Bank or its subsidiaries (except transactions in the ordinary course of business and on arm's length basis) during the financial year ("FY") 2023-24.

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

The Bank also provides an option to its Directors to attend the meetings electronically through Video Conferencing in accordance with the provisions of applicable laws.

MEETINGS AND ATTENDANCE

During FY 2023-24, twenty three (23) meetings of the Board of Directors were held on 6th April, 2023, 29th April, 2023, 27th May, 2023, 16th June, 2023, 24th June, 2023, 15th July, 2023, 17th July, 2023, 22nd July, 2023, 19th August, 2023, 2nd September, 2023, 28th September, 2023, 7th October, 2023, 21st October, 2023, 1st November, 2023, 17th November, 2023, 11th December, 2023, 27th December, 2023, 20th January, 2024, 1st February, 2024, 12th February, 2024, 19th February, 2024, 15th/16th March, 2024 and 27th March, 2024. The details of attendance of the Directors at these meetings and at the last Annual General Meeting held on 19th August, 2023 ("AGM") are, as under:

Sr. No.	Name of Director(s)	No. of BMs entitled to attend during FY 2023-24	No. of BMs attended during FY 2023-24	% attendance of Director	Attendance at the AGM (Yes/No/NA)
1.	Mr. C S Rajan	23	23	100	Yes
2.	Mr. Uday Khanna	23	22	96	Yes
3.	Mr. Uday Shankar	23	17	74	Yes
4.	Dr. Ashok Gulati	23	23	100	Yes
5.	Ms. Ashu Suyash	23	23	100	Yes
6.	Mr. Eli Leenaars (appointed w.e.f. 1st January, 2024)	6	6	100	NA
7.	Mr. C. Jayaram	23	23	100	Yes
8.	Mr. Amit Desai	23	21	91	No
9.	Mr. Uday Kotak	23	23	100	Yes
10.	Mr. Ashok Vaswani (appointed w.e.f 1st January, 2024)	6	6	100	NA
11.	Mr. KVS Manian	23	22	96	Yes
12.	Ms. Shanti Ekambaram	23	21	91	Yes
13.	Mr. Prakash Apte (till 31st December, 2023)	17	17	100	Yes
14.	Mr. Dipak Gupta (till 31st December, 2023)	17	15	88	No

Note:
Mr. C. Jayaram ceased to be on the Board of the Bank, on completion of his term as a Non-Executive Director, on 30th April, 2024. Mr. KVS Manian ceased to be on the Board of the Bank, on account of his resignation on 30th April, 2024.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, two meetings of the Independent Directors of the Bank were held on 26th May, 2023 and 15th March, 2024. The said meetings were held without the presence of Non-Independent Directors and members of management. All the Independent Directors of the Bank attended both the meetings.

At the meeting of the Independent Directors held on 29th June, 2024, the Independent Directors evaluated the performance for FY 2023-24, of the Non-Independent Directors, the Board as a whole and the Chairperson of the Board, after taking into account the views of the Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the outcome of the Board Evaluation Process.

DIRECTORS' REMUNERATION[1, 2]

The Directors' Remuneration is determined in accordance with the provisions of the BR Act, the Act, various guidelines and circulars issued by the RBI from time to time and the respective compensation policies for the Employees (including Executive Directors) and Non-Executive Directors of the Bank. The Compensation Policy for Non-Executive Directors is available on the Bank's website, viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

The remuneration paid to the Executive Directors is approved by the Board, basis the recommendation of Nomination and Remuneration Committee ("NRC"), based on the evaluation of individual director's performance and the Bank's overall performance. The Board, based on the recommendation of the NRC, considers and decides the annual remuneration of Executive Directors, within the overall limit approved by the members of the Bank. The payment of remuneration to Executive Directors is also subject to the approval of the RBI, annually.

[1]GRI 2-19 | [2]GRI 2-20

A) The details of remuneration paid to the Executive Directors of the Bank during FY 2023-24 are, as under:

(₹ in lakh)

	Mr. Ashok Vaswani	Ms. Shanti Ekambaram	Mr. Uday Kotak	Mr. Dipak Gupta	Mr. KVS Manian
Basic	123.30	245.47	0.00	228.96	265.63
Allowances	20.42	40.00	-	33.75	40.00
Provident Fund	16.83	29.46	-	27.47	31.88
SARs Pay-out	-	148.13	-	152.96	52.27
Annual Incentive	-	93.50	-	125.50	116.00
Long Term Deferred Cash	-	76.17	-	88.33	80.12
Others	1.00	1.00	-	0.75	1.00
Total	**161.55**	**633.73**	**0.00**	**657.72**	**586.90**
Number of Stock options granted during the year	51,813	25,337	Nil	Nil	31,267

Notes:

1. The amount shown above excludes Gratuity, value of car perquisites under the Income Tax Act, 1961 and perquisites value on ESOPs.
2. Mr. Uday Kotak had opted to forego his fixed salary and accepted a token salary of Re. 1 during his tenure as Managing Director & CEO of the Bank, till 1st September, 2023.
3. Mr. Dipak Gupta superannuated on 31st December, 2023 and thus ceased to be the Managing Director & CEO and Director of the Bank.
4. The Annual Incentives represent an amount of Cash Bonus for the previous financial year(s), paid during FY 2023-24, as per the approval of the RBI.
5. Long Term Deferred Cash represents Long Term Deferred Cash for the previous financial year(s), paid during FY 2023-24, as per the approval of the RBI.
6. Variable Pay: As per the prevailing RBI Guidelines on Compensation for Whole Time Directors/Chief Executive Officers/Risk Takers and Control Function Staff, etc. issued by the RBI on 4th November, 2019 (RBI Guidelines on Compensation), the total variable pay of an Executive Director needs to be capped within the overall limit of 300% of the fixed pay. Such variable pay is inclusive of Cash as well as Non-Cash components. The amount of SARs payout, cash bonus, Long Term Deferred Cash and the Employee Stock Options in the above table are part of the variable pay and are linked to the performance of the respective Directors, the performance of the Bank as a whole and such other performance based criteria as may be determined by the NRC, from time to time.
7. Malus and Clawback provisions apply to the variable pay of Executive Directors, as given in the Compensation Policy of the Bank.
8. The terms of employment of Executive Directors provide for termination by mutual consent or by giving three months' notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice.

B) During the year under review, the Executive Directors were granted ESOPs under the Kotak Mahindra Equity Option Scheme 2023, as under:

Name of Director(s)	Date of Grant	No. of options granted	Exercise Price per share (in ₹)	Vesting %	Vesting Date	Exercise Period
Series 2/2023 of Kotak Mahindra Equity Option Scheme, 2023						
Mr. Ashok Vaswani	5th February, 2024	51,813	1,823	30	15th February, 2025	15th February, 2025 to 15th August, 2025
			1,823	30	15th February, 2026	15th February, 2026 to 15th August, 2026
			1,823	40	15th February, 2027	15th February, 2027 to 15th August, 2027
Series 1/2023 of Kotak Mahindra Equity Option Scheme, 2023						
Mr. KVS Manian	5th February, 2024	31,267	1,823	25	15th February, 2025	15th February, 2025 to 15th August, 2025
			1,823	25	30th June, 2025	30th June, 2025 to 31st December, 2025
			1,823	25	30th June, 2026	30th June, 2026 to 31st December, 2026
			1,823	25	30th June, 2027	30th June, 2027, to 31st December 2027

Name of Director(s)	Date of Grant	No. of options granted	Exercise Price per share (in ₹)	Vesting %	Vesting Date	Exercise Period
Series 1/2023 of Kotak Mahindra Equity Option Scheme, 2023						
Ms. Shanti Ekambaram	5th February, 2024	25,337	1,823	25	15th February, 2025	15th February, 2025 to 15th August, 2025
			1,823	25	30th June, 2025	30th June, 2025 to 31st December, 2025
			1,823	25	30th June, 2026	30th June, 2026 to 31st December, 2026
			1,823	25	30th June, 2027	30th June, 2027 to 31st December 2027
Total		**108,417**				

Notes:

i. Each option would entitle the grantee to one equity share of the face value of ₹ 5/- each, subject to the provisions of the Kotak Mahindra Equity Option Scheme 2023.

ii. All the options granted to Mr. KVS Manian, which remained unvested on the date of his resignation i.e. 30th April, 2024, were forfeited as per the provisions of the Kotak Mahindra Equity Option Scheme 2015 and Kotak Mahindra Equity Option Scheme 2023.

C) Pursuant to RBI's circular dated 26th April, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board and the relevant resolution passed by the members at the Thirty-Sixth Annual General Meeting, Non-Executive Directors, including the Independent Directors (other than the Part-time Chairman), are entitled to receive compensation by way of fixed remuneration up to ₹ 20 lakh per annum or such sum as may be prescribed by RBI, from time to time.

Considering the crucial role of Non-Executive Directors in efficient functioning of bank boards and its various committees and in order to further enable the banks to sufficiently attract qualified competent individuals on their Boards, the RBI, vide its circular dated 9th February, 2024, revised the ceiling of compensation by way of fixed remuneration payable to the Non-Executive Directors from ₹ 20 lakh to ₹ 30 lakh per annum.

At the meeting of the Board of Directors of the Bank held on 15th/16th March, 2024, the Board approved the payment of remuneration to the Non-Executive Directors, at ₹ 30 lakh per annum, from FY 2024-25 and also approved the criteria for granting such remuneration. Accordingly, for FY 2023-24, the Non-Executive Directors were paid compensation by way of fixed remuneration at the rate of ₹ 20 lakh per annum. The members of the Bank have approved the said payment of fixed remuneration.

Being the Part-time Non-Executive Chairman, Mr. Prakash Apte was entitled to a fixed remuneration of ₹ 30 lakh per annum, till 31st December, 2023, as approved by the Board, the members and the RBI from time to time. Mr. C S Rajan, the current Part-time Non-Executive Chairman is entitled to a fixed remuneration of ₹ 33 lakh per annum, from 1st January, 2024, in accordance with the approvals from the Board, the members and the RBI.

D) The details of sitting fees/fixed remuneration of Non-Executive Directors are, as under:

(₹ in lakh)

Sr. No.	Name of Director(s)	Sitting Fees	Fixed Remuneration	Fixed Remuneration as Non-Executive Part-time Chairman*
1.	Mr. C S Rajan	43.10	15.00	8.25
2.	Mr. Uday Khanna	44.75	20.00	NA
3.	Mr. Uday Shankar	35.00	20.00	NA
4.	Dr. Ashok Gulati	42.00	20.00	NA
5.	Ms. Ashu Suyash	62.85	20.00	NA
6.	Mr. Eli Leenaars (appointed w.e.f. 1st January, 2024)	9.00	5.00	NA
7.	Mr. C. Jayaram	59.10	20.00	NA
8.	Mr. Amit Desai	21.00	20.00	NA
9.	Mr. Uday Kotak[1]	40.25	10.00	NA
10.	Mr. Prakash Apte (till 31st December, 2023)	35.60	NA	22.50
	Total	**392.65**	**150.00**	**30.75**

** Mr. C S Rajan was appointed as a Part-time Chairman of the Bank, with effect from 1st January, 2024.*

Notes:

1. Mr. Uday Kotak was appointed as a Non-Executive Director with effect from 2nd September, 2023 and, thereafter, he was eligible for receiving sitting fees and fixed remuneration. Mr. Uday Kotak waived off his fixed remuneration as a Non-Executive Director, for the quarter ended 30th September, 2023.

2. As per the Compensation Policy, Fixed Remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter).

3. The relevant criteria for making payment to Non-Executive Directors forms part of the Compensation Policy for Non-Executive Directors, which is available on the Bank's website, viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

COMMITTEES OF THE BOARD OF DIRECTORS

COMPOSITION, ROLE AND MEETING DETAILS OF BOARD COMMITTEES

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

The details of Board Committees are, as under:

I. Audit Committee

Current Composition:

1. Mr. Uday Khanna (Chairperson)
2. Dr. Ashok Gulati
3. Ms. Ashu Suyash
4. Ms. Ketaki Bhagwati (appointed w.e.f. 18th May, 2024)

Meetings and Attendance:

During FY 2023-24, thirteen (13) meetings of the Audit Committee were held on 29th April, 2023, 18th May, 2023, 19th June, 2023, 22nd July 2023, 22nd August, 2023, 7th September, 2023, 20th October, 2023, 10th November, 2023, 18th December, 2023, 20th January, 2024, 10th February, 2024, 19th February, 2024 and 30th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Uday Khanna	13/13	100
Dr. Ashok Gulati	13/13	100
Ms. Ashu Suyash	13/13	100
Mr. C. Jayaram	10/13	77

Notes:

i. All the members of the Audit Committee are Non-Executive Directors and more than two-thirds of the members are Independent Directors.

ii. All the members of the Audit Committee are financially literate and have the ability to read and understand financial statements. Mr. Uday Khanna and Ms. Ashu Suyash also possess accounting and financial management expertise.

iii. The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Act read with relevant rules made thereunder, Regulation 18 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

iv. The quorum for the meetings of Audit Committee is three members, including at least two-thirds of the members attending the meeting being Independent Directors.

v. The Company Secretary acts as the Secretary to the Audit Committee.

vi. Mr. Uday Khanna, Chairperson of the Audit Committee, was present at the last AGM to answer the queries of the members. The Internal Audit team meets the Audit Committee on a one to one basis, without the presence of management.

vii. The Head - Internal Audit, reports to the Audit Committee of the Board and attends the meetings of the Audit Committee.

viii. Besides the members of the Committee, meetings of the Audit Committee are generally attended by invitees who are representatives of the management. The Committee meets the Chief Compliance Officer on a one to one basis, without the presence of management, on a quarterly basis.

ix. The Joint Statutory Auditors are invited to attend the meetings of the Audit Committee. The members of the Audit Committee meet the Statutory Auditors independently at least once a year.

x. Mr. C. Jayaram ceased to be a member of the Audit Committee, on completion of his term as a Non-Executive Director, on 30th April, 2024.

xi. Ms. Ketaki Bhagwati was inducted as a member of the Audit Committee, w.e.f. 18th May, 2024. With this, all the members of the Audit Committee are Independent Directors.

The Bank has adopted a Charter of the Audit Committee of the Board of Directors which includes the purpose, composition, roles, responsibilities and duties and powers of the Audit Committee. The brief terms of reference of the Audit Committee, as amended and forming part of its comprehensive Charter document are, as follows:

Roles, Responsibilities and Functions:

- Review and update the Charter, considering regulatory requirements, business environment, etc. and place it before the Board of Directors of the Bank for its approval. The frequency of review shall be at least once every three years
- Provide directions and oversee the operation of the audit function in the Bank and issue, whenever necessary, suitable directions and timely completion of audit
- Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure the fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements and provisions of Companies Act, 2013 and to ensure that the financial statements are true, fair, sufficient and credible
- To review with the management, the quarterly financial statement/result before submission to the Board for approval
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    - Changes, if any, in accounting policies and practices and reasons for the same
    - Compliance with accounting standards, selection of accounting policies, significant judgements, estimates and assumptions that affect reported amounts in financial statements
    - Significant adjustments made in the financial statements arising out of audit findings
    - Compliance with regulatory guidelines, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and other legal requirements relating to financial statements
    - Disclosure of any related party transactions
    - Modified opinion (s) in the draft audit report
    - Going Concern assumption
    - Management Discussion and Analysis of financial condition and results of operations
    - Bank's earnings, press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies
- Review with management, the statement of uses/application of funds, wherever necessary, raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public of right issue and making appropriate recommendations to the Board to take up steps in this matter wherever necessary
- Approve or ratify, as may be permitted by law, transactions of the Bank with related parties (as defined under the applicable laws) and review significant transactions and matters related thereto. Grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as prescribed and as amended from time to time. Members of the Audit Committee who are Independent Directors shall approve the related party transactions. Related Parties to have the same meaning as provided in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time)
- The Audit Committee shall recommend policy on "materiality of related party transactions and on dealing with related party transactions" including clear threshold limits, in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time)
- Set forth the Policies relating to and overseeing the implementation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"), as amended from time to time and the Trading Code of Conduct for Prevention of Insider Trading ("Code") and to take on record such reports as may be required from the compliance officer under the Code and to decide penal and disciplinary action in respect of violation of the Regulations/Code and to review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively

- Valuation of undertakings or assets of the Bank, wherever it is necessary
- Evaluate the adequacy and operational effectiveness of internal financial control of the Bank and also to evaluate risk management systems of the Bank.
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividend declared) and creditors
- Approval of appointment of Chief Financial Officer, after assessing the qualifications, experience and background, etc. of the candidate
- Review reasons for revenue leakage and approve corrective action plan and monitor them at regular interval. Monitor areas of repeat occurrences, if any and ensure immediate actions are taken to prevent such repeat occurrences of revenue leakage
- Review the financial statements of unlisted subsidiary company/ies and more particularly the investments made by them
- Review the key audit observations pertaining to the subsidiaries presented to the respective Audit Committee/Board, as the case may be
- Review utilization of loans and/or advances from/investment by the Bank in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
- Consider and comment on rationale, cost-benefits and impact of schemes involving Merger, Demerger, Amalgamation, etc., on the Bank and its shareholders
- Review details presented to the Audit Committee, at prescribed frequency, vide RBI circular dated 10th November, 2010 and as updated from time to time
- Discuss significant issues raised in the Long Form Audit Report and follow up there on with statutory auditors
- Scrutiny of inter-corporate loans and investments to the extent applicable
- Review the complaints made under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
- To perform any other function, duty as stipulated by the Board of Directors and as mentioned under the Companies Act, 2013, the Reserve Bank of India, the Securities & Exchange Board of India, the Stock Exchanges and any other regulatory or statutory authority or under any applicable law, as prescribed from time to time and also to review the findings by regulatory agencies
- The Chairman of the Committee to provide an annual confirmation to the Board of Directors regarding discharge by the Committee of its roles, responsibilities and functions outlined in the Audit Committee Charter

Reporting Responsibilities

- The Audit Committee shall recommend to the Board the quarterly, half yearly and annual financial statements after reviewing the same
- The recommendations of the Audit Committee on any matter relating to financial management, management discussion and analysis of financial condition and result of operations after its review, including the auditors' report, shall be binding on the Board
- If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Board's Report, together with the reasons thereof

Compliance

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of the management's investigation and follow-up (including disciplinary action) of any instances of non-compliance
- Reviewing the findings of any examinations by regulatory agencies and any auditors' observations
- Reviewing the process for communicating the Code of Conduct to the Bank's personnel and for monitoring compliance therewith
- Obtaining regular updates from the management and the Bank's legal and compliance team regarding compliance matters

Independent Statutory Auditors

- Recommend to the Board of Directors the appointment, re-appointment, replacement and removal of the statutory auditors for both domestic and overseas operations, considering independence and effectiveness, terms of appointment, the fees and other compensation to be paid to the independent statutory auditors
- Approve all payments for services rendered by the statutory auditors other than as statutory auditors
- Review and monitor auditors' independence performance and effectiveness of audit process, both for domestic and overseas operations

- Periodically consult with the statutory auditors in the absence of management about internal controls and fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements and provisions of Companies Act, 2013
- Discuss with statutory auditors the nature and scope of the audit
- Discuss and ascertain from the statutory auditors post the completion of the audit, areas of concern, if any
- Review management letters/letters of internal control weaknesses issued by the statutory auditors
- Provide a right to be heard to the independent statutory auditors and the key management personnel in the meetings of the Audit Committee when it considers the auditor's report but not the right to vote

Internal Audit Department

- Approve appointment, re-appointment, replacement and removal of the concurrent auditors and outsourced internal auditors and the fees and other compensation to be paid to them
- Review with management performance of internal auditor and adequacy of the internal control systems
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit including information systems audit
- Discuss with internal auditors any significant findings and follow up there on
- Review the internal audit reports relating to internal control weaknesses
- Review the findings of any internal investigations by the internal auditors/vigilance department into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board of Directors
- Approve, review and monitor the risk based internal audit plan each year
- Review appointment, removal and performance of Head – Internal Audit

Whistleblowing/Vigil mechanism

- The Committee shall review the Bank's mechanism for its Directors and Employees to raise genuine concerns; whether it provides adequate safeguards against victimization of persons who use such mechanism and provides for direct access to the chairman of the Audit Committee in appropriate or exceptional cases

Review Statement of Deviations, if any:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32 (1) of SEBI Listing Regulations
- Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7) of SEBI Listing Regulations

Inspections conducted by regulators

- Read the audit inspection reports of the inspection team of Reserve Bank of India or any other regulator, approve action plans for corrective actions to be taken and monitor compliance thereof

Risk Management

- Review the implementation and effectiveness of the financial and risk management policies and process and highlight any gaps observed to the Board of Directors

Process Improvement

- Establish a process of reporting by the management or independent statutory auditor or internal auditors, as the case may be, to the Audit Committee with regard to any significant judgment made in preparation of the financial statements along with their views on appropriateness of such Judgments
- Following completion of the annual audit and internal audit plan, review separately with each of management, the statutory auditors and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information
- Review any significant disagreement among management and the independent statutory auditors including auditors in connection with the preparation of the financial statements

- Review any significant disagreement among management and the internal audit department in connection with the observations made in the internal audit report
- Review with management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented
- Perform any other activities consistent with this Charter and governing law, as the Audit Committee or the Board deems necessary or appropriate

Powers:

- To investigate any activity within its terms of reference
- To seek information from any Employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary at its Meetings
- The Audit Committee shall have the same powers, functions and duties as laid down in Section 177 of the Act, the SEBI Listing Regulations and regulations/circulars issued by the Reserve Bank of India, as amended from time to time.

The Charter of the Audit Committee also includes the purpose and composition of First Tier Audit Committee ("FTAC").

The Bank has First Tier Audit Committee ("FTAC") as per the guidelines issued by the RBI. The FTAC presently comprises four members viz., Ms. Shanti Ekambaram, Deputy Managing Director (Chairperson), Mr. Devang Gheewalla, Group Chief Financial Officer, Mr. Himanshu Vasa, President and Chief Compliance Officer and Mr. Ashish Athalye, Chief of Internal Vigilance. Where the internal audit report pertaining to specific businesses, the specific business head also attends the meeting. The FTAC screens the matters entrusted to the Audit Committee and also the routine matters such as overseeing the program of inspections and compliance of inspection reports so as not to burden the Audit Committee with matters of detail. During the year, 21 meetings of the FTAC were held.

II. Nomination and Remuneration Committee[1]

Current Composition:

1. Mr. Uday Shankar (Chairperson)
2. Mr. C S Rajan
3. Mr. Uday Kotak (appointed w.e.f. 1st May, 2024)

Meetings and Attendance:

During FY 2023-24, fourteen (14) meetings of the NRC were held on 2nd May, 2023, 27th May, 2023, 24th June, 2023, 14th/15th July, 2023, 17th July, 2023, 19th August, 2023, 2nd September, 2023, 4th October, 2023, 17th November, 2023, 11th December, 2023, 27th December, 2023, 20th January, 2024, 5th February, 2024 and 19th February, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Uday Shankar	14/14	100
Mr. C S Rajan (appointed w.e.f. 1st January, 2024)	3/3	100
Mr. C. Jayaram	14/14	100
Mr. Prakash Apte (till 31st December, 2023)	11/11	100

Notes:

i. The composition of the NRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 19 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

ii. The quorum for the meetings of the NRC of the Bank is three members. Atleast half of the members attending the meeting of NRC shall be Independent Directors, of which, one shall be a member of Risk Management Committee.

iii. The Company Secretary acts as the Secretary to the NRC.

iv. Mr. Uday Shankar, Chairperson of the NRC, was present at the last AGM to answer the queries of the members.

v. Mr. C. Jayaram ceased to be a member of the NRC, on completion of his term as a Non-Executive Director, on 30th April, 2024.

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

Roles, Responsibilities and Functions:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - o use the services of an external agencies, if required
    - o consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - o consider the time commitments of the candidates
- To formulate the criteria for Evaluation of Performance of Independent Directors and the Board of Directors
- To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of Performance Evaluation of Independent Directors
- While formulating the Policy ensure that:
    - o the Level and Composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Bank successfully
    - o relationship of Remuneration to performance is clear and meets appropriate performance benchmarks; and
    - o Remuneration to Directors, Key Managerial Personnel and Material Risk Takers involves a balance between Fixed and Incentive Pay reflecting short and long-term performance objectives appropriate to the working of the Bank and its Goals
- To recommend to the Board, Remuneration (in whatever form payable) to senior management
- To review the current board composition and determine future requirements and making recommendations to the Board for approval
- To devise a Policy on Board Diversity
- To satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management
- To recommend to the Board, the appointment and changes in the following positions:
    - o Chief Financial Officer;
    - o Company Secretary;
    - o Compliance Officer; and
    - o Chief Risk Officer
    - o Such other official, whose appointment shall have to be recommended by the Nomination and Remuneration Committee under applicable laws
- To review adequacy and appropriateness of Human Resource Strategy of the Bank
- To review:
    - o the composition of the existing committees of the Board and to examine annually whether there is any need to have a special committee of Directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee
    - o the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board

- To Validate 'Fit and Proper' status of all Directors on the Board of the Bank in terms of the guidelines issued by the Reserve Bank of India ("RBI") or other regulatory authorities

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

III. Stakeholders' Relationship Committee

Current Composition:

1. Ms. Ashu Suyash (Chairperson)
2. Mr. Ashok Vaswani
3. Ms. Shanti Ekambaram (appointed w.e.f. 1st May, 2024)

Meetings and Attendance:

During FY 2023-24, two (2) meetings of the Stakeholders' Relationship Committee ("SRC") were held on 7th September, 2023 and 28th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Ms. Ashu Suyash	2/2	100
Mr. C. Jayaram	2/2	100
Mr. Uday Kotak (till 1st September, 2023)	0/0	-
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. Dipak Gupta (till 31st December, 2023)	1/1	100

Notes:

i. The composition of SRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder and Regulation 20 of the SEBI Listing Regulations.

ii. The quorum for the meetings of the SRC is three members, including at least one Independent Director.

iii. The Company Secretary functions as the Compliance Officer under the SEBI Listing Regulations and acts as the Secretary to SRC.

iv. Ms. Ashu Suyash, Chairperson of the SRC, was present at the last AGM to answer the queries of the members.

v. Mr. C. Jayaram ceased to be a member of the SRC, on completion of his term as a Non-Executive Director, on 30th April, 2024.

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

Roles, Responsibilities and Functions:

- Resolve the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Oversee and review the performance of registrar and share transfer agents and recommend measures for improvements in the quality of investors services.
- Review measures for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Transfer Agent.
- Review measures and initiatives taken for reducing quantum of unclaimed dividend and ensuring timely receipt of dividend/ annual report/statutory notices by the shareholders of the Bank.
- Carry out such other functions as may delegated by the Board from time to time.

During the year under review, 23 investor complaints were received and no complaint was pending as on 31st March, 2024.

IV. Risk Management Committee

Current Composition:

1. Dr. Ashok Gulati (Chairperson)
2. Ms. Ashu Suyash
3. Mr. C S Rajan
4. Mr. Eli Leenaars
5. Mr. Uday Kotak

Meetings and Attendance:

During FY 2023-24, five (5) meetings of the Risk Management Committee ("RMC") were held on 21st June, 2023, 25th July, 2023, 12th September, 2023, 14th December, 2023 and 14th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Dr. Ashok Gulati	5/5	100
Mr. C S Rajan	5/5	100
Ms. Ashu Suyash	5/5	100
Mr. Eli Leenaars (appointed w.e.f. 1st January, 2024)	0/1	-
Mr. Uday Kotak	5/5	100
Mr. Prakash Apte (till 31st December, 2023)	4/4	100

Notes:

i. The composition of RMC is in accordance with the provisions of Regulation 21 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

ii. The quorum for the meetings of the RMC is three members, including at least half members attending the meeting being Independent Directors, of which, one member should have professional expertise/qualification in risk management.

iii. The Company Secretary acts as the Secretary to RMC.

iv. The RMC meets the Chief Risk Officer on a one-to-one basis, without the presence of the Managing Director & CEO, on a quarterly basis.

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

Roles, Responsibilities and Functions:

- To identify, monitor and measure the risk profile of the Bank
- To develop policies and procedures pertaining to credit, market, liquidity, operational and reputation risks
- To Monitor and review the Risk Management Plan
- To seek, if required, information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
- To review the cyber security framework of the Bank
- To oversee formulation of a detailed Risk Management Policy, which shall include:
    - A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
    - Measures for risk mitigation including systems and processes for internal control of identified risks
    - Business Continuity Plan
    - Overseeing the methodology, processes and systems that are in place to monitor and evaluate risks associated with the business of the Bank
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
- To review and approve risk appetite statements for the Bank
- To review performance against approved risk appetite
- To oversee establishment of the overall risk management framework for credit, market, liquidity, operational and information risks (including technology and cyber risks)
- To review assessment of various risks on a periodic basis and overall Bank risk profile; identify emerging risks and ensure that exposures are in line with the risk appetites and approved limits
- To review the Bank's credit concentration
- To review exposure to industries and outlook
- To review and comment on stress testing scenarios, methodologies and results if any, placed before the committee.
- To monitor compliance of various risk parameters by operating departments
- To review the adequacy of capital, under the Internal Capital Adequacy Assessment Process ("ICAAP") and approve the outcomes for placing to the Board
- To have oversight over the Asset Liability Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Executive Committee (OREC)
- To coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors

V. Group Risk Management Committee

Current Composition:

1. Ms. Ashu Suyash (Chairperson)
2. Mr. Uday Khanna
3. Mr. Eli Leenaars
4. Mr. Uday Kotak
5. Mr. Ashok Vaswani

Meetings and Attendance:

During FY 2023-24, two (2) meetings of the Group Risk Management Committee ("GRMC") were held on 27th September, 2023 and 27th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Ms. Ashu Suyash (appointed w.e.f. 1st January, 2024)	0/1	-
Mr. Uday Khanna	2/2	100
Mr. Eli Leenaars (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. Uday Kotak	2/2	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	1/1	100
Ms. Shanti Ekambaram (till 31st December, 2023)	1/1	100
Mr. Prakash Apte (Chairperson and member till 31st December, 2023)	1/1	100
Mr. Dipak Gupta (till 31st December, 2023)	1/1	100

Notes:

i. The quorum requirement for the meetings of GRMC is three members, including one Independent Director.

ii. The Company Secretary acts as a Secretary to GRMC.

The brief terms of reference of the Group Risk Management Committee, as amended and forming part of its comprehensive Charter document are, as follows:

Roles, Responsibilities and Functions:

- Issues relating to the Group from a risk perspective
- Oversee/monitor Group Risk appetite
- Analyse the material risks to which the Group, its businesses and subsidiaries would be exposed. It would discuss all risk strategies, both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the Group's overall risk appetite
- To review failures in internal controls
- Articulate the leverage of the Group and monitor the same

VI. Corporate Social Responsibility and Environmental, Social and Governance Committee

Current Composition:

1. Mr. C S Rajan (Chairperson)
2. Dr. Ashok Gulati
3. Mr. Ashok Vaswani
4. Ms. Shanti Ekambaram (appointed w.e.f. 1st May, 2024)

Meetings and Attendance:

During FY 2023-24, seven (7) meetings of the Corporate Social Responsibility and Environmental, Social and Governance ("CSR & ESG") Committee were held on 24th April, 2023, 23rd May, 2023, 14th July, 2023, 27th September, 2023, 29th November, 2023, 27th December, 2023 and 21st March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. C S Rajan	7/7	100
Dr. Ashok Gulati (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. C. Jayaram	7/7	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. Prakash Apte (Chairperson and member till 31st December, 2023)	6/6	100
Mr. Dipak Gupta (till 31st December, 2023)	5/6	83

Notes:

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

ii. The quorum for the meetings of CSR & ESG Committee is three members, including one Independent Director.

iii. The Company Secretary acts as the Secretary of the CSR & ESG Committee.

iv. Mr. C. Jayaram ceased to be a member of the CSR & ESG Committee, on completion of his term as a Non-Executive Director, on 30th April, 2024.

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

Roles, Responsibilities and Functions:

- To review and recommend the following to the Board for its approval:
  - Bank's CSR Policy defines the activities to be undertaken by the Bank and that the policy conforms to the CSR mandate as specified under Sections 134 and 135 of the Act read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with the Government of India's notifications issued from time to time ("applicable CSR laws and rules");
  - Bank's prescribed CSR expenditure requirement for the financial year is as per applicable CSR laws and rules
  - Bank's CSR Projects, Budget and Expenditure for the financial year are as per applicable CSR laws and rules
  - Bank's CSR annual action plan for implementing the Board approved CSR Projects, Budget and Expenditure, payments are as per applicable CSR laws and rules. The components of the Bank's CSR annual action plan are as follows:

- the list of CSR projects or CSR programmes or CSR activities ("CSR Projects") that are approved to be undertaken in areas or subjects are as per applicable CSR laws and rules;
- the CSR Project Scope and Design
- the CSR Project implementation plan
- the CSR Project expenditure payment schedule and/or plan, as applicable
- monitoring and reporting mechanism of each CSR Project; and
- Impact assessment of the Bank's CSR projects, if and where required, as per applicable under CSR laws and rules

o Amendment of the Bank's CSR annual action plan, budget, design and scope of CSR Projects including the budget and expenditure, if necessitated at any point of time and with reasonable justification to that effect

- To review, note and update on the following to the Board, for its noting:
  - o Periodical review/progress of CSR projects including ensuring adherence to the CSR Projects (both – the ones implemented directly by the Bank or implemented with partner organisations) as per the design and scope approved by the Board
  - o Certification by the Chief Financial Officer (CFO) or the person responsible for financial management regarding the utilisation of the CSR Expenditure/payments
  - o The CSR Administrative Overheads Expenditure is as per applicable CSR laws and rules
  - o Disclosures of the Bank's CSR Projects, Expenditure and all such information as per applicable CSR laws and rules are available on the Bank's website, annual report and such other documents and communication platforms stipulated in applicable CSR laws and rules
  - o Periodical update on the fund utilisation and progress of Bank's CSR Projects
  - o CSR Process Manual
- To carry out such other functions as may be prescribed under applicable CSR laws and rules amended from time to time including the functions delegated by the Board from time to time

Roles, Responsibilities, Functions and Powers for ESG:

- To assist the Board in development of the Group's ESG goals and objectives
- To oversee the development and implementation of a framework for achievement of the Group's ESG goals and objectives
- To oversee compliance with ESG regulations applicable to the Bank
- To monitor progress on the Group's ESG framework implementation from time to time
- To oversee reporting and disclosure of the Group's ESG performance in accordance with appropriate regulations and standards

Roles, Responsibilities, Functions and Powers for Donation

- To periodically review/approve Donations by the Bank, to not for profit organisations, as per authorisation matrix approved by the Board from time to time.

VII. Special Committee of the Board for Monitoring and Follow-up of Frauds

Current Composition:

1. Mr. Ashok Vaswani (Chairperson)
2. Mr. C S Rajan (appointed w.e.f. 1st May, 2024)
3. Mr. Uday Khanna
4. Ms. Ashu Suyash
5. Ms. Shanti Ekambaram (appointed w.e.f. 1st May, 2024)

Meetings and Attendance:

During FY 2023-24, three (3) meetings of the Special Committee of the Board for Monitoring and Follow-up of Frauds ("Special Committee on Frauds") were held on 31st August, 2023, 16th November, 2023 and 29th January, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. Uday Khanna	3/3	100
Ms. Ashu Suyash (appointed w.e.f. 1st January, 2024)	1/1	100
Mr. C. Jayaram	3/3	100
Mr. KVS Manian (appointed w.e.f. 2nd September, 2023)	1/2	50
Mr. Uday Kotak (Chairperson and member till 1st September, 2023)	1/1	100
Mr. Prakash Apte (till 31st December, 2023)	2/2	100
Mr. Dipak Gupta (Member till 1st September, 2023 and Chairperson and member till 31st December, 2023)	2/2	100

Notes:

i. The composition of the Special Committee on Frauds is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

ii. The quorum for the meetings of the Special Committee on Frauds is three members, including one Independent Director and the Managing Director & CEO being the Chairperson.

iii. The Company Secretary acts as a Secretary to the Special Committee on Frauds.

iv. Mr. C. Jayaram ceased to be a member of the Special Committee on Frauds, on completion of his term as a Non-Executive Director, on 30th April, 2024. Mr. KVS Manian ceased to be a member of the Special Committee on Frauds on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

The brief terms of reference of the Special Committee on Frauds, as amended and forming part of its comprehensive Charter document are, as follows:

- To monitor and review all frauds, involving an amount of ₹ 10 million (i.e., ₹ 1 crore) and above
- To identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same
- To identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI/Serious Fraud Investigation Officer ("SFIO"), etc.
- To monitor recovery position
- To ensure that staff accountability is examined at all levels and disciplinary actions, if required, are taken timely
- To review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal control environment
- To monitor and review red flag accounts as and when they are classified as per the guidelines prescribed by the RBI which shall include the synopsis of the remedial action taken together with their current status
- To review electronic banking frauds and monitor the progress of mitigating steps taken by the Bank in case of electronic frauds and the efficacy of the same in containing fraud numbers and values

VIII. Customer Service Committee

Current Composition:

1. Mr. Uday Shankar (Chairperson)
2. Mr. Uday Khanna
3. Mr. Uday Kotak
4. Mr. Ashok Vaswani

Meetings and Attendance:

During FY 2023-24, four (4) meetings of the Customer Service Committee ("CSC") were held on 27th June, 2023, 2nd December, 2023, 19th March 2024 and 26th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Uday Shankar	3/4	75
Mr. Uday Khanna (appointed w.e.f. 1st January, 2024)	2/2	100
Mr. Uday Kotak	4/4	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	2/2	100
Mr. KVS Manian	3/4	75
Mr. Dipak Gupta (till 31st December, 2023)	2/2	100

Notes:

i. The composition of the CSC is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

ii. The quorum for the meetings of the CSC is three members including one Independent Director.

iii. The Company Secretary acts as a Secretary to the CSC.

iv. Mr. KVS Manian ceased to be a member of the CSC on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

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

- To bring about ongoing improvements in the quality of customer services provided by the Bank
- To oversee the functioning of the customer service standing committee, compliance with the recommendations of the committee on procedures and performance audit and public services and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of cliental, at all times
- To review matters pertaining to customer service, grievance redressal mechanism, fair practices, recovery mechanism, outsourcing and other customer service related matters
- To review customer service/customer care aspects in the Bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months
- To initiate prompt corrective action wherever service quality/skill gaps have been noticed
- To review and monitor Comprehensive Deposit Policy, setting out the rights of the depositors in general and small depositors in particular and other aspects as laid down in the guidelines of Reserve Bank of India ("RBI")
- To review the status of settlement of claims in regard to deceased depositors
- To review and monitor the product approval processes
- To review and monitor Banking Ombudsman Awards passed by Banking Ombudsman relating to the Bank
- To review and monitor the steps and remedial actions taken by the Bank to reduce the customer complaints
- To review and monitor the service delivery channels
- To review and monitor the customer rights policy as mandated by RBI
- To formulate, review and monitor comprehensive policies for customer satisfaction and conduct annual survey of customer satisfaction
- To review the feedback obtained from the periodically audit of customer services
- To review of branding, marketing, digital and customer engagement activities of the Bank
- To control measure for ATMs and reconciliation of transactions at ATMs failure – time limit
- To understanding the broad trends and concentration in the growth of customer grievances and their resolution including mis-Selling, particularly third-party products and appropriateness of products to different customer segments.
- To examine any other issues having a bearing on the quality of customer services rendered

IX. Review Committee for Classification and Declaration of Borrowers as Willful Defaulters

Current Composition:

1. Mr. C S Rajan (Chairperson) (appointed w.e.f. 1st January, 2024)
2. Mr. Uday Khanna
3. Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)

Meetings:

During FY 2023-24, no meeting of the Review Committee for Classification and Declaration of Borrowers as Willful Defaulters ("Review Committee") was required to be held.

Notes:

i. The composition of the Review Committee is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

ii. Mr. Uday Kotak was the Chairperson and a member of the Review Committee till 1st September, 2023 and Mr. Dipak Gupta was appointed as a member of Review Committee w.e.f. 2nd September, 2023. Mr. Prakash Apte was Chairperson of the Review Committee from 2nd September 2023 to 31st December, 2023. Mr. Prakash Apte was the Chairperson and member and Mr. Dipak Gupta was a member of the Review Committee till 31st December, 2023. Mr. C. Jayaram was a member of this Committee till 30th April 2024.

iii. The quorum for the meetings of the Review Committee is three members, including one Independent Director and the Managing Director & CEO.

iv. The Company Secretary acts as a Secretary to the Review Committee.

Roles, Responsibilities and Functions:

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

- To consider the Recommendation order passed by the Identification Committee and also consider the Written Representation, if any submitted by the Borrower before the Review Committee and pass necessary order, in accordance with law
- To put in place a system for proper and timely classification of borrowers as willful defaulters or/as non-cooperative borrowers and review the efficacy of the said system at least on an annual basis
- To review the status of non-cooperative borrowers at least on half yearly or at such other intervals as may be required by Reserve Bank of India ("RBI")
- To decide on removal of the names from the list of non-cooperative borrowers as reported to Central Repository of Information of Large Credits ("CRILC")
- To review, note and decide on any matter pertaining to willful defaulters or non-cooperative borrowers
- To review order passed by the Committee which decides classification of the borrower as non-cooperative borrower
- To review the information relating to the non-cooperative borrowers to be submitted to CRILC
- To hear the grievance of the borrowers who represent that they have been wrongly classified as willful defaulters
- To carry out such other functions as may delegated by the Board from time to time

X. Large Expenditure and Share Transfer and Other Matters Committee (earlier known as Share Transfer and Other Matters Committee)

Current Composition:

1. Mr. C S Rajan (Chairperson)
2. Mr. Uday Kotak
3. Mr. Ashok Vaswani
4. Ms. Shanti Ekambaram

Meetings and Attendance:

During FY 2023-24, fourteen (14) meetings of the Large Expenditure and Share Transfer and Other Matters ("LESTOM") Committee were held on 16th June, 2023, 22nd June, 2023, 23rd June, 2023, 25th July, 2023, 4th August, 2023, 19th August, 2023, 1st September, 2023, 3rd October, 2023, 1st November, 2023, 5th December, 2023, 5th January, 2024, 5th February, 2024, 13th February, 2024 and 20th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. C S Rajan (appointed w.e.f. 1st August, 2023)	10/10	100
Mr. Uday Kotak	14/14	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	4/4	100
Mr. KVS Manian	12/14	86
Ms. Shanti Ekambaram	12/14	86
Mr. Dipak Gupta (till 31st December, 2023)	9/10	90

Notes:

i. The quorum for the meetings of the LESTOM Committee is any three members.

ii. The Company Secretary acts as a Secretary to the LESTOM Committee.

iii. Mr. KVS Manian ceased to be a member of the LESTOM Committee on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

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

- To approve transfer, transmission, transposition, name deletion, dematerialization, rematerialization, consolidation and splitting/sub-division of share, debenture or any other securities certificates of the Bank to the extent permitted in line with the provisions of applicable laws
- To issue new/duplicate share/debenture certificates
- To apply for registration of the Bank with various authorities of any state or centre including GST tax authorities, income tax authorities, shops & establishment authorities and to do or perform all matters relating to such matters
- To apply, in the name of and for the Bank for telephone, telex, fax and other telecommunication and electrical/electronic connections and to do all matters relating to such applications
- To open, operate and close bank accounts of the Bank and change the operating instructions of existing bank accounts of the Bank
- To authorise persons to sign on behalf of the Bank's share certificates, share allotment letters and fixed deposit receipts
- To authorise persons to represent the Bank at General Meetings of any company or cooperative society of which the Bank is a shareholder/ member
- To fix the dates for closure of the Bank's register of members and debenture holders and transfer books of shares or debentures and/or fixing record dates, in consultation with the stock exchanges
- To authorise the opening of securities general ledger account or any other account with any scheduled banks or with any department of the Reserve Bank of India
- To authorise persons to execute loan agreements, demand promissory notes and any other documents as may be necessary for lending out of any line of credit sanctioned to the Bank
- To authorise officials of the Bank to sign documents for registration of motor vehicles and to do all acts and things for the transfer of any such motor vehicles
- To authorise employee(s) or others to execute, for and on behalf of the Bank, agreements, applications, deeds, documents and any other writings in connection with the business of the Bank and, if required, to issue power of attorney in favour of such persons for the purpose
- To authorise employee(s) or others to represent the Bank before any court, tribunal, consumer redressal forum or any statutory or other authority on any matter relating to the operations of the Bank or with which the Bank is in any way connected or to represent the Bank generally or for any specific purpose or purposes and, if required, issue power of attorney in favour of such persons for the purpose
- To appoint or change nominees to hold shares for and on behalf of the Bank in any subsidiary/associate companies
- To grant permission and authorise incorporation of companies, with a prefix "Kotak Mahindra" before the name
- To authorise the use of the common seal of the Bank and to appoint persons to sign/countersign documents, etc. on which the common seal is to be affixed

- To approve appointment of any employee/Director of the Bank or any other person as a nominee on the Board of other companies under certain circumstances to protect the interest of the Bank's exposures/investments in such companies
- To approve appointment of any employee of the Bank as a part-time employee of any other company under certain circumstances to protect the interest of the Bank's exposures/investments in such companies
- To approve appointment of any employee/director of the Bank or any other person as an appointee on the Board of other companies (including Section 8 companies) LLPs, firms, if so invited
- To carry out the activities in respect of equity shares of erstwhile ING Vysya Bank Ltd. being rights shares held in abeyance for various reasons
- To authorise employee(s) to delegate authority to any other employee(s) or others in respect of any of the matters stated herein subject to it being permissible under applicable law
- To authorise employee(s) to execute, for and on behalf of the Bank, agreements, applications, or documents in connection with the minority investments made by the Bank, which have been approved in accordance with Bank's policies or by the Board and its various Committees, from time to time
- To authorise employee(s) to execute, for and on behalf of the Bank, non-binding term sheets, expression of interest and any other writings in connection with evaluation of inorganic growth opportunities (such as acquisitions, mergers, joint ventures, asset purchases etc.) or minority financial investments
- To evaluate tie ups with multiple insurers after assessing the overall impact of the open architecture regime in insurance distribution and studying the market conduct under the applicable regulations and recommend to the Board for further tie up with other insurance companies as permitted by regulations
- To, inter alia, finalise the structure and terms and conditions of the Non-Convertible Debentures, within the approval granted by the Board from time to time. (Arising out of authority given by the Board at its earlier meetings for issuance of NCDs)
- To approve expenses as mentioned in the Expense Approval Authorities, as approved by the Board from time to time

XI. Management Committee

Current Composition:

1. Mr. Ashok Vaswani (Chairperson)
2. Ms. Shanti Ekambaram

Meetings and Attendance:

During FY 2023-24, one (1) meeting of the Management Committee was held on 28th March, 2024. The details of attendance of the Directors at the said meeting is, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Ashok Vaswani (appointed w.e.f 1st January, 2024)	1/1	100
Mr. KVS Manian	1/1	100
Ms. Shanti Ekambaram	1/1	100
Mr. Uday Kotak (Chairperson and member till 1st September, 2023)	0/0	-
Mr. Dipak Gupta (member till 1st September, 2023 and Chairperson and member till 31st December, 2023)	0/0	-

Notes:

i. The quorum for the meetings of the Management Committee is any two members.

ii. The Company Secretary acts as a Secretary to the Management Committee.

iii. Mr. KVS Manian ceased to be a member of the Management Committee on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

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

- To bring operational flexibility in processing of credit proposals
- To discharge other responsibilities prescribed in different directives of Reserve Bank of India including periodical calendar of reviews
- To carry out such other functions as may delegated by the Board from time to time

XII. Committee on Derivative Products

Current Composition:

1. Mr. Ashok Vaswani (Chairperson)
2. Mr. Eli Leenaars (appointed w.e.f. 1st May, 2024)
3. Ms. Shanti Ekambaram

Meetings and Attendance:

During FY 2023-24, two (2) meetings of the Committee on Derivative Products were held on 14th June, 2023 and 29th September, 2023. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	0/0	-
Mr. KVS Manian	2/2	100
Ms. Shanti Ekambaram	2/2	100
Mr. Dipak Gupta (Chairperson and member till 31st December, 2023)	2/2	100

Notes:

i. The quorum for the meetings of the Committee on Derivative Products is three members.

ii. The Company Secretary acts as a Secretary to the Committee on Derivative Products.

iii. Mr. KVS Manian ceased to be a member of the Committee on Derivative Products on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

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

- To examine and accord approval, after approval from the Senior Management Committee of the Bank, for the new products after their comprehensive evaluation (including of various parameters), before being offered to the customers of the Bank
- To decide on the implementation of regulatory guidelines and framework regarding foreign exchange and rupee derivative products, including Suitability and Appropriateness (S&A) framework for derivative products

XIII. ESOP Allotment Committee

Current Composition:

1. Mr. Ashok Vaswani (Chairperson)
2. Mr. C S Rajan (appointed w.e.f. 1st May, 2024)
3. Ms. Shanti Ekambaram

Meetings and Attendance:

During FY 2023-24, nine (9) meetings of the ESOP Allotment Committee were held on 17th May, 2023, 30th June, 2023, 31st July, 2023, 31st August, 2023, 29th September, 2023, 31st October, 2023, 28th December, 2023, 31st January, 2024 and 11th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Mr. C. Jayaram	9/9	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	2/2	100
Mr. Uday Kotak (till 1st September, 2023)	4/4	100
Mr. KVS Manian (appointed w.e.f. 2nd September, 2023)	5/5	100
Ms. Shanti Ekambaram	8/9	89
Mr. Dipak Gupta (till 31st December, 2023)	7/7	100

Notes:

i. The quorum for the meetings of the ESOP Allotment Committee is three members.

ii. The Company Secretary acts as a Secretary to the ESOP Allotment Committee.

iii. Mr. C. Jayaram ceased to be the Chairman and member of the ESOP Allotment Committee, on completion of his term as a Non-Executive Director, on 30th April, 2024. Mr. KVS Manian ceased to be a member of the ESOP Allotment Committee on 30th April, 2024, on account of his resignation.

Roles, Responsibilities and Functions:

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

- To allot shares arising out of the options exercised in accordance with the terms and conditions of the various ESOP Schemes of the Bank
- To carry out such other functions as may delegated by the Board from time to time

XIV. Credit and Investment Committee

Current Composition:

1. Ms. Ashu Suyash (Chairperson)
2. Ms. Ketaki Bhagwati (appointed w.e.f. 18th May, 2024)
3. Mr. Uday Kotak
4. Mr. Ashok Vaswani

Meetings and Attendance:

During FY 2023-24, twenty two (22) meetings of the Credit and Investment Committee ("CIC") were held on 21st April, 2023, 17th May, 2023, 16th June, 2023, 17th July, 2023, 18th August, 2023, 24th August, 2023, 15th September, 2023, 21st September, 2023, 27th September, 2023, 17th October, 2023, 16th November, 2023, 23rd November, 2023, 4th December, 2023, 9th December, 2023, 18th December, 2023, 15th January, 2024, 24th January, 2024, 1st February, 2024, 15th February, 2024, 27th February, 2024, 13th March, 2024 and 26th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Ms. Ashu Suyash	22/22	100
Mr. Uday Kotak (Chairperson till 1st September, 2023)	22/22	100
Mr. Ashok Vaswani (appointed w.e.f. 1st January, 2024)	7/7	100
Mr. Dipak Gupta (till 31st December, 2023)	14/15	93

Notes:

i. The quorum for the meetings of the CIC is two members (of which one shall be Managing Direct & CEO).

ii. The Company Secretary acts as a Secretary to the CIC.

Roles, Responsibilities and Functions:

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

- To approve and/or recommend to the Board credit exposures (Single and/or and Group exposures) as per the thresholds determined by the Board of Directors from time to time
- To approve and/or recommend to the Board investments in Initial Public Offerings as per the thresholds determined by the Board of Directors from time to time

XV. Subsidiary Oversight and Governance Committee

During FY 2023-24, the Board has constituted the Subsidiary Oversight and Governance Committee ("SOGC").

Current Composition:

1. Ms. Ashu Suyash (Chairperson)
2. Mr. Uday Khanna
3. Mr. Uday Kotak
4. Mr. Ashok Vaswani

Meetings and Attendance:

During FY 2023-24, four (4) meetings of the SOGC were held on 26th October, 2023, 30th November, 2023, 4th March, 2024 and 27th March, 2024. The details of attendance of the Directors at these meetings are, as under:

Name of Director(s)	Attendance Status	% attendance of Director
Ms. Ashu Suyash	4/4	100
Mr. Uday Khanna	4/4	100
Mr. Uday Kotak	4/4	100
Mr. Ashok Vaswani (appointed w.e.f. 15th March, 2024)	1/1	100

Notes:

i. The quorum for the meetings of the SOGC is higher of one-third of total strength or two members.

ii. The Company Secretary acts as a Secretary to the SOGC.

Roles, Responsibilities and Functions:

The SOGC has been constituted to review such matters as may be delegated to it or as it may deem fit for oversight and governance function

XVI. IT Strategy & Digital Payments Promotion Committee

The Bank had in place a Non-Board level IT Strategy & Digital Payments Promotion Committee ("ITSC") comprising three Directors of the Bank along with other members of the management of the Bank. In the light of the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices ("RBI Master Direction") issued by the RBI dated 7th November, 2023, the Board of the Bank reconstituted the ITSC, as a Board Level Committee, effective from 1st April, 2024, as given below, in line with the aforesaid RBI Master Direction.

Current Composition:

1. Mr. Uday Shankar (Chairperson)
2. Mr. Eli Leenaars
3. Mr. Ashok Vaswani

Meetings:

During FY 2023-24, five (5) meetings of the ITSC were held on 18th July, 2023, 24th November, 2023, 27th December, 2024, 5th February, 2024 and 19th March, 2024.

Notes:

i. The quorum for the meetings of the ITSC is two members, including at least one Independent Director.

ii. The Chief Technology Officer ("CTO") and Chief Investor Security Officer ("CISO") are permanent invitees to the ITSC meetings.

iii. The CISO acts as Secretary to the ITSC.

Roles, Responsibilities and Functions:

- Decide the composition and perform oversight functions over the IT Steering Committee (at a senior management level) and Information Security Committee
- Work in partnership with other Board committees and Senior Management to provide inputs on relevant matters
- Drive, monitor and promote/facilitate Digital Payments
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives
- Ensure that the Bank has put an effective IT strategic planning process in place
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the Bank

- Ensure that the Bank has put in place processes for assessing and managing IT and cybersecurity risks
- Review the cyber security risks/arrangements/preparedness of the Bank on a quarterly basis. CISO to make a presentation to the Committee and to the Board/Risk Management Committee, if requested
- Assist the Risk Management Committee of Board in periodic review of IT related risks and Cyber Security related risks at least on a yearly basis
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank
- Assess the IT capacity requirements of the Bank and measures taken to address the issues
- Approve documented standards and procedures and keep them upto date for administering need-based access to an information system
- Approve Recovery Time Objective (RTO) and Recovery Point Objective (RPO), wherever necessary, for all critical information systems
- Such other matters as may be delegated from time to time by the Board of Directors or any Committee thereof or as prescribed under any applicable law

The Committee may investigate activities within its scope, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary, in order to carry out the responsibilities assigned to it

CODE OF CONDUCT

The Bank has adopted the Codes of Conduct, applicable to the Board of Directors and Employees including Senior Management Personnel, respectively.

Both the Codes of Conduct have been posted on the website of the Bank viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

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

FAMILIARISATION PROGRAMME FOR NON-EXECUTIVE DIRECTORS

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

Presentations on critical parameters, such as, business strategy, financial outlook, financial reports and their integrity, risk, compliance, environmental, social and governance, corporate social responsibility, financial inclusion, human resources, consumer banking business, wholesale banking business, technology, customer service and cyber security awareness, etc., were made to the Directors periodically.

The complete details of the familiarisation programs conducted for the Directors of the Bank are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/governance/familiarisation-programme.html

Induction program for new Directors

Presentations were made to familiarise the new Directors with the nature of the industry in which the Bank operates. A three-day program was conducted covering presentations on Kotak Mahindra Group structure, Financials, the Act and SEBI Listing Regulations (important provisions), Commercial Bank, Human Resources, Consumer Bank, Kotak Securities, Investment Banking, Wealth Management, Wholesale Bank, Asset Reconstruction, Treasury, Risk Management, Internal Audit, Asset Management, Information Technology, Digital, Customer Service, Corporate Social Responsibility and Environmental, Social and Governance, etc.

FEES PAID TO THE STATUTORY AUDITORS

The Profit and Loss Account of the Bank and its subsidiaries for the year ended 31st March, 2024, include the following fees paid/payable to their respective Statutory Auditors:

(₹ in crore)

Entity Name(s)	Auditor's Name(s)	Statutory Audit Fees	Other Matters	Total
Kotak Mahindra Bank Limited*	Price Waterhouse LLP KKC & Associates LLP	3.60	0.46	4.06
Kotak Mahindra Bank Limited *(Overseas Branch and Representative Office)*	KPI Ahli	0.09	0.01	0.10
Kotak Mahindra Prime Limited	M M Nissim & Co. LLP Mukund M. Chitale & Co.	1.56	0.09	1.65
Kotak Mahindra Investments Limited	Kalyaniwalla & Mistry LLP	0.32	0.04	0.36
Kotak Infrastructure Debt Fund Limited	Gokhale & Sathe	0.09	0.02	0.11
Kotak Securities Limited	Deloitte Haskins & Sells LLP	1.25	0.09	1.34
Kotak Mahindra Capital Company Limited	Deloitte Haskins & Sells LLP	0.21	0.01	0.22
Kotak Mahindra Life Insurance Company Limited	Price Waterhouse LLP M M Nissim & Co. LLP	0.88	0.10	0.98
Kotak Mahindra General Insurance Company Limited	V. C. Shah & Co. MSKA & Associates	0.41	0.07	0.48
Kotak Mahindra Asset Management Company Limited	Price Waterhouse Chartered Accountants LLP	0.41	0.05	0.46
Kotak Mahindra Trustee Company Limited	V. C. Shah & Co.	0.03	0.01	0.04
Kotak Mahindra Pension Fund Limited	Manohar Chowdhry & Associates	0.02	-	0.02
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	Price Waterhouse LLP	0.42	0.01	0.43
Kotak Mahindra Trusteeship Services Limited	Deloitte Haskins & Sells LLP	0.06	-	0.06
Kotak Mahindra (UK) Limited	Ernst & Young LLP	1.49	0.08	1.57
Kotak Mahindra (International) Limited	Ernst & Young Mauritius	0.41	0.01	0.42
Kotak Mahindra, Inc.	KNAV CPA LLP	0.20	-	0.20
Kotak Mahindra Asset Management (Singapore) Pte. Limited	Ernst & Young LLP	0.46	0.01	0.47
Kotak Mahindra Financial Services Limited	Ernst & Young Middle East	0.12	0.03	0.15
IVY Product Intermediaries Limited	V. C. Shah & Co.	0.01	-	0.01
BSS Microfinance Limited	Deloitte Haskins & Sells LLP	0.20	0.01	0.21
Sonata Finance Private Limited**	B R Maheswari & Co. LLP	0.05	-	0.05
	Total	**12.29**	**1.10**	**13.39**

** Excludes fees paid for audit of Overseas Branch which is done by a non-network firm.*

*** Audit fees for Sonata Finance Private Limited is w.e.f 28th March, 2024 (date on which it became subsidiary of the Bank).*

Note:

On 26th June, 2023, the Bank has incorporated ""Kotak Karma Foundation"" ("the Foundation") under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence (CoE) of the Bank for furtherance of part of its Corporate Social Responsibility (CSR) Initiatives. Being a Section 8 company and as per terms of articles, the Foundation would operate with restrictions to transfer funds to the parent, hence, in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", the Company has been excluded from consolidation. Fees for Statutory Audit is to V. C. Shah & Co. of ₹ 0.01 crore.

The Consolidated Statement of Profit and Loss Account includes fees to Statutory Auditors of the Bank and their network firms for services post their appointment, as under:

(₹ in crore)

Entity Name(s)	Name of the Firm(s)	Total Fees
Kotak Mahindra Bank Limited	Price Waterhouse LLP	1.97
	KKC & Associates LLP	2.09
	Price Waterhouse Chartered Accountants LLP	0.48
	Price Waterhouse & Co Chartered Accountants LLP	0.21
Kotak Alternate Asset Managers Limited	Price Waterhouse LLP	0.46
Kotak Mahindra Asset Management Company Limited	Price Waterhouse Chartered Accountants LLP	0.46
Kotak Mahindra Life Insurance Company Limited	Price Waterhouse LLP	0.51
	Total	**6.18**

SENIOR MANAGEMENT

Particulars of Senior Management Personnel ("SMP"):

Sr. No.	Name(s)	Designation	Particulars of change in SMP, if any
1.	Mr. Milind Nagnur	Chief Technology Officer and Chief Operating Officer	Appointed as Chief Operating Officer w.e.f. 1st April, 2024
2.	Mr. Paul Parambi	Group Chief Risk Officer	Re-designated as Group Chief Risk Officer w.e.f. 1st March, 2024
3.	Mr. Virat Diwanji	Group President – Consumer Bank	-
4.	Mr. Jaideep Hansraj	Group President – One Kotak	Appointed w.e.f. 1st April, 2024
5.	Ms. Oisharya Das	Group President, Kotak Private Banking	-
6.	Mr. Jaimin Bhatt	Group Chief Financial Officer	Till 31st March, 2024
7.	Mr. Devang Gheewalla	Group Chief Financial Officer	Appointed w.e.f. 1st April, 2024
8.	Mr. T.V. Sudhakar	Chief Compliance Officer	Till 22nd October, 2023
9.	Mr. Himanshu Vasa	Chief Compliance Officer	Appointed w.e.f. 23rd October, 2023
10.	Ms. Avan Doomasia	Company Secretary	-
11.	Mr. Anantha Raman R.	Head - Internal Audit	-

SHAREHOLDER RELATED INFORMATION

GENERAL MEETINGS

The details of General meetings of the members of the Bank held during the last three years are given, as below:

General Meetings	Day, Date, Time and Location	Special Business
Thirty-Eighth Annual General Meeting	Saturday, 19th August, 2023, 10:00 a.m. IST through Video Conferencing/Other Audio Visual Means, deemed to have been held at the Registered Office of the Bank at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	There was no Special Business at the Thirty-Eighth Annual General Meeting of the Bank
Thirty-Seventh Annual General Meeting	Saturday, 27th August, 2022, 10:00 a.m. IST through Video Conferencing/Other Audio Visual Means, deemed to have been held at the Registered Office of the Bank at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	Ordinary Resolutions: i. Re-appointment of Mr. KVS Manian as Whole-time Director of the Bank for a period of three years, with effect from 1st November, 2022 or the date of approval by the RBI, whichever is later and payment of remuneration to him ii. Appointment of Ms. Shanti Ekambaram as Whole-time Director of the Bank for a period of three years, with effect from 1st November, 2022 or the date of approval by the RBI, whichever is later and payment of remuneration to her iii. Material Related Party Transaction with Infina Finance Private Limited from Thirty-Seventh Annual General Meeting to Thirty-Eighth Annual General Meeting iv. Material Related Party Transaction with Mr. Uday Kotak from Thirty-Seventh Annual General Meeting to Thirty-Eighth Annual General Meeting
Thirty-Sixth Annual General Meeting	Wednesday, 25th August, 2021, 11:00 a.m. IST through Video Conferencing/Other Audio Visual Means, deemed to have been held at the Registered Office of the Bank at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	Ordinary Resolutions: i. Appointment of Dr. Ashok Gulati as a Director and an Independent Director of the Bank for a period of five years, with effect from 6th March, 2021 to 5th March, 2026 ii. Material Related Party Transaction with Infina Finance Private Limited iii. Material Related Party Transaction with Mr. Uday Kotak iv. Related Party Transaction for payment of remuneration to Mr. Jay Kotak, son of Mr. Uday Kotak, Managing Director & CEO and a Key Managerial Person, who is holding an Office or Place of Profit in the Bank

General Meetings	Day, Date, Time and Location	Special Business
		Special Resolutions: i. Re-appointment of Mr. Uday Khanna as an Independent Director of the Bank for a second term, with effect from 16th September, 2021 up to 15th September, 2024. ii. Issuance of Redeemable Unsecured Non-Convertible Debentures/Bonds/ other debt securities on a private placement basis for an amount not exceeding ₹ 5,000 crore. iii. Payment of Compensation by way of Fixed Remuneration to Non-Executive Directors (excluding the Non-Executive Part-time Chairman), up to the overall ceiling of ₹ 20 lakh per annum or such higher amount as may be prescribed by RBI, for a period of 5 years, with effect from FY 2021-22.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the SEBI Listing Regulations, the Bank has been providing remote e-voting facility to its members to enable them to cast their votes by electronic means on all resolutions.

POSTAL BALLOT

In accordance with the General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 read with other relevant circulars, including General Circular No. 09/2023 dated 25th September, 2023, issued by the Ministry of Corporate Affairs, Government of India ("MCA circulars"), the approval of the members of the Bank for the below mentioned resolutions was sought through 3 (three) separate postal ballot events, during FY 2023-24.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA circulars, in respect of both the postal ballot events, the Bank had extended only the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot forms.

Mr. P. N. Parikh, Practising Company Secretary and Partner in Parikh & Associates, Company Secretaries (FCS: 327 and COP: 1228) acted as the Scrutiniser in these postal ballot events and conducted the same in a fair and transparent manner.

The Bank had engaged the services of National Securities Depository Limited ("NSDL") for providing remote e-voting facilities to the members, enabling them to cast their vote in a secure manner.

POSTAL BALLOT CONDUCTED DURING SEPTEMBER– OCTOBER 2023:

The Board of Directors of the Bank, at its meeting held on 2nd September, 2023, had appointed Mr. Dipak Gupta to carry on the duties of Managing Director & CEO, as an interim arrangement, from 2nd September 2023, subject to the approval of the RBI and the members of the Bank.

The Notice of Postal Ballot dated 29th September, 2023 along with Explanatory Statement and remote e-voting instructions were sent to all the members in electronic form only, on the same date i.e. Friday, 29th September, 2023, for recording their assent or dissent through electronic means. The remote e-voting commenced on 1st October, 2023 (9:00 a.m. IST) and ended on 30th October, 2023 (5:00 p.m. IST). Voting rights of Members were reckoned in proportion to their share in the paid-up equity share capital of the Bank as on 29th September, 2023.

The Scrutiniser had submitted his report dated 31st October, 2023 on postal ballot (through remote e-voting process). The resolution was deemed to have been duly passed on the last date specified for remote e-voting i.e. 30th October, 2023.

The details of the voting pattern are, given below:

Resolution No. 1	Appointment of Mr. Dipak Gupta as Managing Director & CEO of the Bank from 2nd September, 2023 to 31st December, 2023 and payment of remuneration to him
Ordinary/Special	Ordinary
% of Votes in favour on votes polled	99.9374
% of Votes against on votes polled	0.0626
Result	Passed with requisite majority

POSTAL BALLOT CONDUCTED DURING NOVEMBER-DECEMBER 2023:

The Board of Directors of the Bank, at its meeting held on 17th November, 2023, had approved and recommended the following items for approval of the members of the Bank:

i. Appointment of Mr. Ashok Vaswani as a Director and Managing Director & CEO of the Bank and payment of remuneration to him

ii. Approval of 'Kotak Mahindra Equity Option Scheme 2023' for eligible employees of the Bank

iii. Approval of 'Kotak Mahindra Equity Option Scheme 2023' for eligible employees of the subsidiaries of the Bank

The Notice of Postal Ballot dated 22nd November, 2023 along with Explanatory Statement and remote e-voting instructions were sent to all the members in electronic form only, on the same day i.e. Wednesday, 22nd November, 2023, for recording their assent or dissent through electronic means. The remote e-voting commenced on 23rd November, 2023 (9:00 a.m. IST) and ended on 22nd December, 2023 (5:00 p.m. IST). Voting rights of Members were reckoned in proportion to their share in the paid-up equity share capital of the Bank as on 17th November, 2023.

The Scrutiniser had submitted his report dated 23rd December, 2023 on postal ballot (through remote e-voting process). The resolutions were deemed to have been duly passed on the last date specified for remote e-voting i.e. 22nd December, 2023. The details of the voting pattern are, given below:

Resolution No. 1	Appointment of Mr. Ashok Vaswani as a Director and Managing Director & CEO of the Bank and payment of remuneration to him
Ordinary/Special	Ordinary
% of Votes in favour on votes polled	99.3439
% of Votes against on votes polled	0.6561
Result	Passed with requisite majority

Resolution No. 2	Approval of 'Kotak Mahindra Equity Option Scheme 2023' for eligible employees of the Bank
Ordinary/Special	Special
% of Votes in favour on votes polled	98.8356
% of Votes against on votes polled	1.1644
Result	Passed with requisite majority

Resolution No. 3	Approval of 'Kotak Mahindra Equity Option Scheme 2023' for eligible employees of the subsidiaries of the Bank
Ordinary/Special	Special
% of Votes in favour on votes polled	98.7806
% of Votes against on votes polled	1.2194
Result	Passed with requisite majority

POSTAL BALLOT CONDUCTED DURING FEBRUARY – MARCH 2024:

The Board of Directors of the Bank, at its meeting held on 20th January, 2024, had approved and recommended the following items for approval of the members of the Bank:

i. Payment of remuneration to Mr. C S Rajan as Non-Executive Independent Part-time Chairman

ii. Appointment of Mr. Eli Leenaars as a Director and an Independent Director of the Bank

iii. Re-appointment of Mr. Uday Shankar as an Independent Director of the Bank

iv. Issuance of Unsecured, Redeemable, Non-Convertible Debentures/Bonds/other Debt Securities on a private placement basis during FY 2024-25

v. Material Related Party Transaction(s) with Mr. Uday Kotak during FY 2024-25

vi. Material Related Party Transaction(s) with Infina Finance Private Limited during FY 2024-25

The Notice of Postal Ballot dated 10th February, 2024 along with Explanatory Statement and remote e-voting instructions were sent to all the members in electronic form only, on the same day i.e. Saturday, 10th February, 2024, for recording their assent or dissent through electronic means. The remote e-voting commenced on 12th February, 2024 (9:00 a.m. IST) and ended on 12th March, 2024 (5:00 p.m. IST). Voting rights of Members were reckoned in proportion to their share in the paid-up equity share capital of the Bank as on 8th February, 2024.

The Scrutiniser had submitted his report dated 13th March, 2024 on postal ballot (through remote e-voting process). The resolutions were deemed to have been duly passed on the last date specified for remote e-voting i.e. 12th March, 2024. The details of the voting pattern are, given below:

Resolution No. 1	Payment of remuneration to Mr. C S Rajan as Non-Executive Independent Part-time Chairman
Ordinary/Special	Special
% of Votes in favour on votes polled	99.9978
% of Votes against on votes polled	0.0022
Result	Passed with requisite majority

Resolution No. 2	Appointment of Mr. Eli Leenaars as a Director and an Independent Director of the Bank
Ordinary/Special	Special
% of Votes in favour on votes polled	99.9927
% of Votes against on votes polled	0.0073
Result	Passed with requisite majority

Resolution No. 3	Re-appointment of Mr. Uday Shankar as an Independent Director of the Bank
Ordinary/Special	Special
% of Votes in favour on votes polled	99.0176
% of Votes against on votes polled	0.9824
Result	Passed with requisite majority

Resolution No. 4	Issuance of Unsecured, Redeemable, Non-Convertible Debentures/Bonds/other Debt Securities on a private placement basis during FY 2024-25
Ordinary/Special	Special
% of Votes in favour on votes polled	99.2370
% of Votes against on votes polled	0.7630
Result	Passed with requisite majority

Resolution No. 5	Material Related Party Transaction(s) with Mr. Uday Kotak during FY 2024-25
Ordinary/Special	Ordinary
% of Votes in favour on votes polled	99.9964
% of Votes against on votes polled	0.0036
Result	Passed with requisite majority

Resolution No. 6	Material Related Party Transaction(s) with Infina Finance Private Limited during FY 2024-25
Ordinary/Special	Ordinary
% of Votes in favour on votes polled	99.9961
% of Votes against on votes polled	0.0039
Result	Passed with requisite majority

Currently, no special resolution is proposed to be passed through postal ballot

FINANCIALS COMPLIANCE CALENDAR

For each calendar quarter, the quarterly and annual standalone and consolidated financial results of the Bank are reviewed and taken on record/approved by the Board, within the statutory prescribed time period and then disclosed to the Stock Exchanges as required under Regulation 30 read with sub-para 4 of Para A of Part A of Schedule III of the SEBI Listing Regulations. The said financial results along with the earnings update and investor presentation, are posted on the website of the Bank and are available for the current as well as at least previous five financial years. Every quarter, the Managing Director & CEO and the Whole-time Director(s) along with the senior officials of the Bank and its subsidiaries participate on a call with the analysts/investors, the transcripts of which are posted on the website of the Bank. The Bank also has dedicated personnel to respond to queries from investors.

BOARD MEETING CALENDAR FOR FY 2024-25

Standalone and Consolidated Financial Results for:	Tentative Date
Quarter ending 30th June, 2024 (unaudited) Quarter and half year ending 30th September, 2024 (unaudited) Quarter and nine month ending 31st December, 2024 (unaudited) Financial year/quarter ending 31st March, 2025 (audited)	End of the subsequent month from the end of the quarter.

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

Equity Shares

The Equity Shares of the Bank have face value of ₹ 5/- each and are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The International Security Identification Number ("ISIN") in respect of the Equity Shares and the Market Scrip Code/Symbol are, as under:

Name & Address of Stock Exchange(s)	Market Scrip Code/Symbol	International Security Identification Number ("ISIN")
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	500247	INE237A01028
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051	KOTAKBANK	

The annual listing fee for FY 2024-25 has been paid to BSE and NSE on time. Annual Custody/Issuer fee for FY 2024-25 has also been paid to the Depositories, based on invoices received.

As required under Regulation 40(9) of the SEBI Listing Regulations, Mr. S. Anand SS Rao, Company Secretary in Practice, has examined the records relating to share transfer, etc., on an annual basis and has issued a certificate confirming compliance with the said provisions. The Bank has, accordingly submitted the same to BSE and NSE, where its equity shares are listed.

TRADING OF SHARES TO BE IN COMPULSORILY DEMATERIALISED FORM

The equity shares of the Bank are traded only in dematerialised form. Transfer of shares held in physical form cannot be processed.

Pursuant to the SEBI Listing Regulations, the Bank shall (i) effect issuance of certificates in dematerialised form only, for any requests received for sub-division, split, consolidation, renewal, exchanges, endorsements or issuance of duplicate certificates; and (ii) execute requests for transmission and transposition of securities, held in physical or dematerialised form, in dematerialised form only. Investors holding shares in physical form are advised to dematerialize their existing holdings.

SIMPLIFIED NORMS FOR PROCESSING INVESTOR'S SERVICE REQUEST BY RTAs AND NORMS FOR FURNISHING PAN, KYC DETAILS AND NOMINATION

SEBI has mandated:

a) furnishing of details of PAN, Nomination, Contact details, Bank Account details and Specimen signature for their respective folio numbers by the holders of physical securities

b) processing of any service request in respect of physical securities only upon registration of the details of PAN, bank account and nomination; and

c) linking of PAN with Aadhaar number

In terms of the said SEBI mandate, folios, wherein any of the above mentioned document/details (except for nomination) are not available, such members will not be eligible to lodge any grievance or avail service request from the Registrars and Transfer Agent or receive any dividend from the Bank in physical mode.

The Bank has written individually to the concerned members to take appropriate action in this regard. Members holding Equity Shares of the Bank in physical mode are advised to contact the Registrar and Share Transfer Agent of the Bank, viz., KFin Technologies Limited for further details or for updating their PAN, KYC and Nomination details.

BREAK-UP OF THE SHARES HELD IN PHYSICAL AND ELECTRONIC MODE AS ON 31ST MARCH, 2024

Equity Shares

Physical Mode		Electronic Mode		
No. of Shares	% of Shares		No. of Shares	% of Shares
3,100,058	**0.15**	NSDL	1,935,411,976	97.36
		CDSL	49,408,864	2.49
		Total Shares	**1,984,820,840**	**99.85**

Preference Shares

The Bank had issued 1,000,000,000, 8.10% Non-Convertible Perpetual Non–Cumulative Preference Shares ("PNCPS") (INE237A04014) of face value of ₹ 5/- each, in 2018, in dematerialised form. The PNCPS were listed with BSE and NSE, with effect from 6th August, 2018.

The Bank exercised the Call Option on PNCPS and upon payment of Call Option Price (i.e., the face value of PNCPS) and the dividend due thereon, the PNCPS stood extinguished on 13th March, 2024.

Debentures and Bonds

The Bank has issued Non-Convertible Debentures ("NCD")/Bonds on private placement basis and the same are listed on the BSE/NSE. Details of the outstanding Non-Convertible Debentures/Bonds as on 31st March, 2024 are, as follows:

ISIN	Description	Coupon Rate (p.a.)	Redemption Date	Quantity	Face Value (₹ in lakh)	Amount (₹ in lakh)	BSE Scrip Code	NSE Symbol
INE237A08940	Senior, Unsecured, Rated , Listed Redeemable, Long Term Bonds in the Nature of Debentures	8.25%	28th April, 2026	1,500	10	15,000	974396	KMB29
INE237A08957		7.63%	1st December, 2029	15,000	10	150,000	958687	KMB26
INE237A08965		7.85%	20th March, 2030	30,000	1	30,000	974682	KMB30
INE237A08973		7.55%	24th June, 2030	189,500	1	189,500	974924	KMB30
INE237A08981		7.60%	14th February, 2031	100,000	1	100,000	975387	N.A.

Transfer of unclaimed dividend and shares/fractional entitlements to the Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), any dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, all shares in respect of which the dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF Authority.

During FY 2023-24, the Bank has transferred unclaimed/unpaid dividend aggregating ₹ 45.16 lakh pertaining to FY 2015-16 to IEPF.

The table given below gives the dates of dividend declaration and the corresponding dates when unclaimed/unpaid dividends are due to be transferred to the Fund:

Financial Year	Dividend Type	Date of Declaration	Due Date of Transfer
2016-17	Final	20th July, 2017	19th August, 2024
2017-18	Final	19th July, 2018	18th August, 2025
2018-19	Final	22nd July, 2019	21st August, 2026
2019-20	As per the notification of RBI dated 17th April, 2020, banks were advised not to declare dividend on equity shares for FY 2019-20.		
2020-21	Final	25th August, 2021	24th September, 2028
2021-22	Final	27th August, 2022	26th September, 2029
2022-23	Final	19th August, 2023	18th September, 2030

No dividend on PNCPS and interest on NCDs has remained unclaimed/unpaid for any financial year.

Pursuant to the requirements of the Rules and the subsequent various circulars/notifications issued by MCA in this regard, the Bank has transferred a total of 195,990 equity shares to IEPF Authority during FY 2023-24 (cumulative till date: 4,231,737). The voting rights on the equity shares transferred to the IEPF Authority shall remain frozen till the rightful owner claims the shares. The details of such equity shares transferred to IEPF are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/investor-information/investor-info.html Till date, 774,825 equity shares (including 194,726 equity shares during FY 2023-24) have been released by the IEPF Authority to the rightful claimants.

The Bank has initiated necessary steps for the transfer of relevant unclaimed/unpaid amounts and Equity Shares to IEPF Authority during FY 2024-25. The Bank has also uploaded on its website, the details of unpaid and unclaimed amounts lying with the Bank as on 31st March, 2024 and the same can be accessed at https://www.kotak.com/en/investor-relations/investor-information/investor-info.html

The details of Equity Shares liable to be transferred during FY 2024-25 as also those already transferred to the IEPF Authority are available on the website of the Bank viz., URL: https://www.kotak.com/en/investor-relations/investor-information/investor-info.html

The procedure to claim unpaid/unencashed amounts/unclaimed shares transfered to IEPF Authority is available on the Bank's website viz., https://www.kotak.com/en/investor-relations/investor-information/iepf.html

Share Price Details

Market price data - Monthly High, Low, Closing price of Equity Shares of the Bank, on BSE vis-à-vis S&P BSE 100 and S&P BSE Bankex:

Month	High	Low	Close	S&P BSE 100	S&P BSE Bankex
April 2023	1,943.40	1,734.05	1,937.70	18,324.96	48,981.83
May 2023	2,063.00	1,896.50	1,994.60	18,909.41	50,017.52
June 2023	1,977.75	1,815.85	1,847.20	19,571.34	50,500.57
July 2023	1,987.00	1,836.20	1,856.50	20,150.32	51,432.39
August 2023	1,865.90	1,747.00	1,759.60	19,764.93	49,371.95
September 2023	1,835.55	1,729.00	1,735.70	20,123.30	50,174.68
October 2023	1,780.00	1,688.20	1,739.15	19,558.03	48,448.07
November 2023	1,784.00	1,718.00	1,755.50	20,718.71	50,292.51
December 2023	1,926.00	1,747.60	1,908.10	22,384.89	54,378.31
January 2024	1,918.70	1,752.60	1,824.55	22,509.19	51,999.08
February 2024	1,849.95	1,666.80	1,690.80	22,921.27	52,456.58
March 2024	1,803.50	1,691.05	1,785.80	23,294.04	53,515.19

Market price data - Monthly High, Low, Closing price of Equity Shares of the Bank, on NSE vis-à-vis NIFTY 50 and NIFTY Bank:

Month	High	Low	Close	Nifty 50	Nifty Bank
April 2023	1,943.30	1,733.20	1,938.05	18,065.00	43,233.90
May 2023	2,064.40	1,890.00	2,014.35	18,534.40	44,128.15
June 2023	1,979.15	1,815.30	1,846.55	19,189.05	44,747.35
July 2023	1,987.75	1,836.05	1,856.55	19,753.80	45,651.10
August 2023	1,865.75	1,746.50	1,758.75	19,253.80	43,989.15
September 2023	1,836.00	1,729.00	1,735.70	19,638.30	44,584.55
October 2023	1,779.95	1,688.40	1,739.40	19,079.60	42,845.95
November 2023	1,784.25	1,717.85	1,755.45	20,133.15	44,481.75
December 2023	1,926.50	1,748.25	1,908.10	21,731.40	48,292.25
January 2024	1,919.00	1,752.40	1,825.25	21,725.70	45,996.80
February 2024	1,850.00	1,667.40	1,689.45	21,982.80	46,120.90
March 2024	1,803.90	1,695.00	1,785.50	22,326.90	47,124.60

Shareholding-Equity Shares

Category		As on 31st March, 2024		As on 31st March, 2023	
		No of Equity Shares held	% of Equity Shares	No of Equity Shares held	% of Equity Shares
A	**Promoter & Promoter Group Holding**				
	Promoters & Promoter Group	514,880,396	25.90	515,504,681	25.95
	Sub Total	**514,880,396**	**25.90**	515,504,681	**25.95**
B	**Non-Promoters' Holding**				
	Institutional Investors				
	a. Mutual Funds	254,784,254	12.82	218,361,346	10.99
	b. Banks/Financial Institutions, Qualified Institutional Buyer, Insurance Companies (State/Central Government Institutions)	177,522,711	8.93	175,502,776	8.83
	c. National Pension System Trust	29,507,381	1.48	25,820,200	1.30
	d. Foreign Institutional	714,507,075	35.94	7,504,97,911	37.78
	Sub-Total	**1,176,321,421**	**59.17**	**1,170,182,233**	**58.90**
C	**Others**				
	a. Private Corporate Bodies	37,199,568	1.87	39,749,459	2.00
	b. Indian Public including Directors and Relatives	182,707,647	9.19	184,550,650	9.29
	c. NRI/OCBs/Foreign Bodies DR	10,350,960	0.52	9,653,008	0.49
	d. Foreign Bank	32,813,072	1.65	32,813,072	1.65
	e. Foreign Bodies	25,966,992	1.31	25,966,992	1.31
	f. Foreign Nationals	**-**	**-**	-	**-**
	g. NBFCs	652,407	0.03	656,944	0.03
	h. Alternate Investment Fund	3,379,637	0.17	3,766,068	0.19
	i. Clearing Members	150,398	0.01	216,339	0.01
	j. IEPF	3,498,400	0.18	3,497,136	0.18
	Sub-Total	**296,719,081**	**14.93**	**300,869,668**	**15.15**
	Grand Total	**1,987,920,898**	**100.00**	**1,986,556,582**	**100.00**

Note: The increase in capital during FY 2023-24 is pursuant to allotment of 1,364,316 equity shares of ₹ 5/- each under the Employee Stock Option Scheme 2015 of the Bank

Top 10 Equity Shareholders of the Bank as on 31st March, 2024

Sr. No.	Name of the Investor(s)	Total Shares held	% of total equity shares
1.	Mr. Uday Kotak	511,261,456*	25.72
2.	Life Insurance Corporation of India	128,353,776	6.46
3.	SBI Mutual Fund	73,564,986	3.70
4.	Europacific Growth Fund	57,542,420	2.89
5.	Invesco Developing Markets Fund	56,045,749	2.82
6.	Canada Pension Plan Investment Board	53,310,661	2.68
7.	Sumitomo Mitsui Banking Corporation	32,800,000	1.65
8.	National Pension System Trust	29,507,381	1.48
9.	UTI Mutual Fund	29,000,298	1.46
10.	ICICI Prudential Mutual Fund	28,128,851	1.41

* *Includes 234,356 shares held in the name of Kotak Trustee Company Private Limited as trustee for USK Benefit Trust – III, of which, Mr. Uday Kotak is the sole beneficiary*

Shareholding of Key Managerial Personnel (other than Directors) as on 31st March, 2024

Sr. No.	Name of the Key Managerial Personnel	No of Shares	% of total Equity Shares
1.	Mr. Jaimin Bhatt, Chief Financial Officer	1,232,392	0.06
2.	Ms. Avan Doomasia, Company Secretary	Nil	NA

Distribution Schedule as on 31st March, 2024

Sr. No.	Category (Shares)	Equity			
		No. of Holders	% To Equity Share Holders	No. of Shares	% To Equity Shares
1.	1 - 100	596,282	84.22	12,760,193	0.64
2.	101 - 200	44,980	6.35	6,796,733	0.34
3.	201 - 300	17,954	2.54	4,560,619	0.23
4.	301 - 400	9,308	1.31	3,389,666	0.17
5.	401 - 500	6,670	0.94	3,110,359	0.16
6.	501 - 1000	12,983	1.83	9,626,838	0.48
7.	1001 - 2000	7,996	1.13	12,075,249	0.61
8.	2001 - 3000	2,972	0.42	7,502,443	0.38
9.	3001 - 4000	2,521	0.36	9,354,879	0.47
10.	4001 - 5000	1,174	0.17	5,470,838	0.28
11.	5001 - 10000	2,201	0.31	15,740,048	0.79
12.	10001 and above	2,966	0.42	1,897,533,033	95.45
	TOTAL	**708,007**	**100.00**	**1,987,920,898**	**100.00**

CREDIT RATINGS

Details of Credit ratings obtained by the Bank for securities outstanding as on 31st March, 2024 are, as under:

DOMESTIC RATING:

Type of Instrument	Amount (₹ in crore)	Credit Rating/Outlook
Infrastructure Bonds	₹ 10,650*	CRISIL AAA/Stable
Fixed Deposits	-	CRISIL AAA/Stable
Certificate of Deposit	₹ 22,000**	CRISIL A1+

** The rating with regard to the Infrastructure Bonds aggregating ₹ 7,000 crore has been newly assigned during the year*

*** The amount of Certificate of Deposit for which the rating has been re-affirmed stands enhanced at ₹ 25,000 crore in April 2024*

Additionally, below rating agencies have also rated the Bank's debt instruments:

Rating Agency	Type of Instrument	Amount (₹ in crore)	Credit Rating/Outlook
ICRA	Infrastructure Bonds	11,038*	ICRA AAA/Stable
India Ratings	Infrastructure Bonds	7,150*	IND AAA/Stable
	Long Term Debt	3,000	IND AAA/Stable

**The rating with regards to the Infrastructure Bonds aggregating ₹ 7,000 crore has been newly assigned during the year*

INTERNATIONAL RATING:

S&P Rating	Rating	Outlook
Short Term	A-3	Stable
Long Term	BBB-	Stable

There has been no change in the Credit Ratings during the year.

MATERIAL SUBSIDIARY

Kotak Mahindra Life Insurance Company Limited ("KLI"), incorporated on 31st August, 2000, in Mumbai, is a material subsidiary of the Bank. In compliance with the SEBI Listing Regulations, Mr. Prakash Apte (till 31st December, 2023) and Mr. C S Rajan (from 1st January, 2024), have been on the Board of KLI, as Independent Directors of the Bank.

M M Nissim and Co. LLP, Chartered Accountants and Price Waterhouse LLP, Chartered Accountants have been appointed as the Statutory Auditors of KLI, for a term of five years and to hold office from the conclusion of the Annual General Meeting of KLI held on 12th May, 2022 till the conclusion of the Annual General Meeting of KLI to be held in the year 2027. Details of the fees paid to them (audit fees and fees paid for other matters) is available in the section 'Fees paid to the Statutory Auditors', of this Report.

DISCLOSURES[1]

- During FY 2023-24, the Bank has not entered into any materially significant transactions with its related parties or transactions which could lead to a potential conflict of interest between the Bank and these parties. The members of the Bank have, vide Postal Ballot notice dated 10th February, 2024, approved related party transactions by the Bank/its subsidiaries, as potential "material related party transactions" under the provisions of Regulation 23 of the SEBI Listing Regulations, with Infina Finance Private Limited and with Mr. Uday Kotak, Non-Executive Director of the Bank, for FY 2024-25, with respect to Deposits and other transactions/arrangements/service, etc., at an arm's length basis and in the ordinary course of business. The Bank has not entered into any material financial or commercial transactions with its subsidiaries and other related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large. Further, there were no related party transactions, which were not in the ordinary course of business or not at an arm's length basis.

  The Audit Committee reviews the Related Party Transactions of the Bank on a quarterly basis. The Bank's Policies on dealing with Related Party Transactions, determining 'material' subsidiaries and determination of materiality of events or information are available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

- There were no instances of non-acceptance of any recommendations of the Board level Committees by the Board.

- During the last three years, there was no non-compliance by the Bank and no penalties or strictures were imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on any matter relating to capital market except as have been disclosed to the Stock Exchanges.

- None of the Directors are related to any other Director.

- The Bank has adopted a Whistle Blower Policy. It covers not just employees and directors, but also suppliers, vendors, service providers and other concerned stakeholders of the Bank to enable them to raise their concerns relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Bank or society as a whole. The Bank has a digital platform through which concerns may be raised and the same is managed and hosted by an independent third party service provider who has proven expertise in this area, thereby ensuring absolute confidentiality. The Bank hereby affirms that no personnel has been denied access to the Audit Committee.

- The Bank has complied with the mandatory requirements regarding Corporate Governance under the SEBI Listing Regulations, including those covered under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and those covered under paras (2) to (10) of Clause C of Schedule V thereto.

- All the amounts raised by the Bank through private placement of Non-Convertible Debentures during FY 2023-24 have been fully utilised towards the purposes for which these amounts were raised and there has been 'no deviation' in utilisation of the proceeds so raised.

- The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Bank.

- The Bank's Policy for determining material subsidiaries, in line with the SEBI Listing Regulations, is available on its website viz., URL: https://www.kotak.com/content/kotakcl/en/investor-relations/governance/policies.html

[1]*GRI 2-15*

- In terms of the SEBI Listing Regulations relating to Corporate Governance, the Bank's Policy on dealing with Related Party Transactions is available on the Bank's website viz., URL: https://www.kotak.com/en/investor-relations/governance/policies.html

- The Managing Director & CEO and the Chief Financial Officer of the Bank have duly provided the compliance certificate to the Board of Directors, as specified in Part B of Schedule II of the SEBI Listing Regulations.

- Disclosure with respect to demat suspense account/unclaimed suspense account:

Particulars	Records/No. of shareholders	Equity Shares
Opening Balance as on 1st April, 2023	0	0
Add: Shares Transferred to the Account	1	1,000
Less: Claims received and shares transferred to the Shareholder	0	0
Closing balance as on 31st March, 2024	1	1,000

PLANT LOCATIONS

Being in the banking business, the Bank does not have plants. However, the Bank has 1,948 branches (excluding branches at DIFC, Dubai and GIFT city, Gujarat) and 3,291 ATMs as on 31st March, 2024. The locations of the branches are displayed on the Bank's website viz., URL: https://www.kotak.com/en/reach-us.html

DISCLOSURE REGARDING COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISKS AND HEDGING ACTIVITIES

Being in the business of banking, as per the extant regulations, the Bank does not take any commodity price risk. However, the Bank engages in certain bullion related activities under the ambit of the Bullion Policy of the Bank. The Bank engages in the consignment sale of bullion. The Bank offers gold forwards and hedges the risk by covering the position on back-to-back basis in the interbank market. In addition to that, the Bank provides gold metal loans and manages the corresponding risk by hedging the exposures on a back-to-back basis with gold suppliers and in the interbank market. During FY 2023-24, the Bank had no exposure/positions of its own account in commodities. The Bank takes foreign exchange (FX) risk and hedges it as per the structure prescribed under the Investment Policy of the Bank.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with all the mandatory requirements of the Code of Corporate Governance stipulated under the SEBI Listing Regulations.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Bank has complied with the non-mandatory requirements of the Code of Corporate Governance stipulated under the SEBI Listing Regulations, as under:

1. THE BOARD:

The office of Non-Executive Chairman of the Bank is maintained by the Bank at its expense and all the expenses incurred in performance of his duties are reimbursed by the Bank.

2. SHAREHOLDER RIGHTS:

The quarterly results and important announcements made under Regulation 30 of the SEBI Listing Regulations are sent by email to those members whose email Ids are registered with the Bank/Depository Participant(s) for communication purposes.

3. AUDIT QUALIFICATIONS:

During the period under review, there were no audit qualifications in respect of the Bank's standalone and consolidated financial statements. The Bank continues to adopt best accounting practices and has complied with the Accounting Standards and there is no difference in the treatment.

4. SEPARATE POSTS OF CHAIRMAN AND MANAGING DIRECTOR & CEO:

Mr. C S Rajan, a Non-Executive Independent Director, is the Part-time Chairman and Mr. Ashok Vaswani is the Managing Director & CEO of the Bank.

5. REPORTING OF INTERNAL AUDITOR:

The Head - Internal Audit reports to the Audit Committee of the Board.

OTHER DISCLOSURES

A. THE MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis Report, giving an overview of the banking and financial services industry, the Bank's business and its financials, is provided separately as a part of this Integrated Annual Report and is annexed to the Directors' Report.

B. MEANS OF COMMUNICATION

The financial results, along with earnings update approved by the Board of Directors, are uploaded on the website of BSE (https://www.bseindia.com/), NSE (https://www.nseindia.com/) and the Bank's website (https://www.kotak.com/en/investor-relations/financial-results.html?source=website) within regulatory prescribed timelines. These results are also published in one English and one Marathi Regional Language newspaper, within 48 hours of the conclusion of the relevant Board Meeting. Along with the quarterly results, detailed earnings update and investor presentations are also given on the website of the Bank. Further, a quarterly investors'/analysts' conference call is made to discuss the financial results and performance of the Bank and the Group, the transcripts and links to the audio/video recordings of which are posted on the website of the Bank. The Investor Relations section of the website also displays the earnings updates and presentations made to investors and analysts, since 2011. The Bank's website also displays all official press/media releases issued by the Bank from time to time. The Investor Relations section also has several other details such as Basel III and Liquidity Coverage Ration and Net Stable Funding Ratio disclosures, Governance related disclosures, composition of the Board of Directors and Committees thereof, Subsidiaries, Key Company Policies, SEBI Listing disclosures, Investor Information, Shareholding Pattern, Contact and Registration Details, details of Registrar & Transfer Agent, Dividend Payment History, etc. The Annual Reports of the Bank along with its subsidiaries Annual Reports, since 2011, are also made available on the website (https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html?source=website).

The financial results and updates on other important events are sent by e-mail to those members whose e-mail ids are registered with the Bank or the Depository Participants. The Bank also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report in a newspaper as required in terms of Section 31 of the Banking Regulation Act, 1949 and Rule 15 of the Banking Regulation Companies Rules, 1949. The financial results are also sent by e-mail to equity research analysts working with various brokerage houses. The financial results and other information filed with the stock exchanges by the Bank from time to time, are also available on the website of the stock exchanges. The management of the Bank also meets various investors, including its Institutional members.

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

INVESTOR HELPDESK[1]

Investors are requested to write to the Registered Office address of the Bank or to KFin Technologies Limited ("KFin"), our Registrars & Share Transfer Agents, for addressing their correspondence or complaints or may address their correspondence or complaints to designated email address viz., investor.grievances@kotak.com or einward.ris@kfintech.com in terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations.

For queries, etc. related to dividend payments, IEPF claims and all other investor related activities as also for lodgment of any documents or for any grievances/complaints, investors may contact or write to the Bank or KFin. The Company Secretarial Department regularly monitors and reviews the status of the investor correspondence and complaints received at the Registered Office and also by KFin, to ensure timely redressal of complaints.

As advised by the Securities and Exchange Board of India ("SEBI"), the Bank has a designated email id of its Compliance Officer i.e. investor.grievances@kotak.com for the purpose of registering complaints by the investors. The same has also been displayed on the website of the Bank.

[1]*GRI 2-26*

INVESTOR INFORMATION

Date of Incorporation	21st November, 1985
Registration No.	11-38137 TA
Corporate Identification No.	L65110MH1985PLC038137
Registered Office	Kotak Mahindra Bank Limited 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051 Tel. No. +91-22-616661615 Website: www.kotak.com E-mail : investor.grievances@kotak.com
Contact (Nodal officer – IEPF)	Ms. Avan Doomasia, Company Secretary Tel. No. +91-22-61661615 E-mail : KotakBank.Secretarial@kotak.com
Registrar & Transfer Agent (For Equity)	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, Telangana Toll free number : 1- 800-309-4001 Website: https://ris.kfintech.com E-mail: einward.ris@kfintech.com
Registrar & Share Transfer Agent (For Debt Securities)	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai –400083 Tel No.: +91-22-49186000 Website: https://linkintime.co.in E-mail: mumbai@linkintime.co.in
Debenture Trustees	
(For Kotak Mahindra 8.25% 2026 - Debentures)	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel No.: +91-22-40807001 Website: https://idbitrustee.com/ E-mail: itsl@idbitrustee.com
(For Kotak Mahindra 7.63% 2029, Kotak Mahindra 7.85% 2030, Kotak Mahindra 7.55% 2030 and Kotak Mahindra 7.60% 2031 - Debentures)	Catalyst Trusteeship Limited GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune 411038 Tel.: +91-20-66807200 Website: www.catalysttrustee.com Email: dt@ctltrustee.com
Thirty-Ninth Annual General Meeting, Date and Time	Saturday, 3rd August, 2024 at 11:30 a.m. (IST)
Venue	Through Video Conferencing/Other Audio Visual Means. Venue of meeting shall be deemed to be the Registered Office
Financial Year	1st April, 2023 to 31st March, 2024
Dividend Payment Date	Between Monday, 5th August, 2024 and Saturday, 10th August, 2024 (subject to declaration at the AGM)

For Kotak Mahindra Bank Limited

C S Rajan
Chairman

Place : Mumbai
Date : 29th June, 2024

Ashok Vaswani
Managing Director & CEO

Place : Mumbai
Date : 29th June, 2024

DECLARATION

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

For Kotak Mahindra Bank Limited

Ashok Vaswani
Managing Director & CEO

Place : Mumbai
Date : 29th June, 2024

To,
The Members
Kotak Mahindra Bank Limited
27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kotak Mahindra Bank Limited having CIN L65110MH1985PLC038137 and having registered office at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of the Director	DIN	Date of appointment on the Board of the Company
1.	Mr. C S Rajan	00126063	22nd October, 2022
2.	Mr. Uday Khanna	00079129	16th September, 2016
3.	Mr. Uday Shankar	01755963	16th March, 2019
4.	Dr. Ashok Gulati	07062601	6th March, 2021
5.	Ms. Ashu Suyash	00494515	24th January, 2022
6.	Mr. Cornelis Petrus Adrianus Joseph Leenaars	10438792	1st January, 2024
7.	Mr. C Jayaram	00012214	1st October, 1999
8.	Mr. Amit Desai	00310510	18th March, 2022
9.	Mr. Uday Kotak#	00007467	21st November, 1985
10.	Mr. Ashok Vaswani	10227550	1st January, 2024
11.	Mr. KVS Manian	00031794	1st November, 2019
12.	Ms. Shanti Ekambaram	00004889	1st November, 2022
13.	Mr. Prakash Apte*	00196106	18th March, 2011
14.	Mr. Dipak Gupta$	00004771	1st October, 1999

Mr. Uday Kotak ceased to be the Managing Director & CEO of the Bank, w.e.f. 1st September, 2023 on account of his resignation and became a Non-Executive Director of the Bank, w.e.f. 2nd September, 2023.

** Mr. Prakash Apte completed his term as the Part-time Chairman of the Bank, on 31st December, 2023 and ceased to be a Director and the Part-time Chairman of the Bank on the completion of his term, as aforesaid.*

$ Mr. Dipak Gupta was appointed as the Managing Director & CEO from 2nd September, 2023 till 31st December, 2023. He ceased to be a Director and the Managing Director & CEO of the Bank on the completion of his term as approved by the Reserve Bank of India, as aforesaid.

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

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No.: 4225
ICSI UDIN: F005441F000617063
Peer Review Certificate No.: 1139/2021

Place: Mumbai
Date: 25th June, 2024

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members,
KOTAK MAHINDRA BANK LIMITED
27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra-East, Mumbai-400051

I have examined the compliance of the conditions of Corporate Governance by Kotak Mahindra Bank Limited ("the **Bank**") for the year ended on 31st March, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

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

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

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

Rupal Dhiren Jhaveri
Company Secretary
FCS: F5441
CP: 4225
UDIN: F005441F000633816
PR No.: 1139/2021

Date: 25th June, 2024
Place: Mumbai

Management's Discussion and Analysis

MACROECONOMIC ENVIRONMENT

FY 2023-24 began in the aftermath of the regional banking crisis in the US and Europe in the backdrop of one of the most aggressive monetary tightening episodes globally. At the same time, global supply chains and commodity prices continued to normalize since their disruption following the Russia-Ukraine war. Central banks globally had responded to the elevated inflation levels by raising interest rates to multi-decadal highs. While the rate hiking cycle was nearing its peak, most central banks began preparing to stay put for a prolonged period to tame inflation (as its drivers shifted from supply-side to demand-side). Further, lending support for a prolonged pause was the emergence of the Middle-East crisis towards end-2023, which clouded the inflation outlook amid uncertainties relating to energy prices. However, the resilience in the global economy continued, especially in the US. According to the International Monetary Fund (IMF), global real GDP growth in Calendar Year ("CY") 2023 stood at 3.2% compared to its April 2023 projection at 2.8% and CY2022 growth at 3.5%.

India started FY 2023-24 on a firm footing, with Q1FY24 real GDP growth at 8.2% (up from 6.2% in Q4FY23). Notably, investment growth at 8.5% continued to outpace private consumption growth (which improved to 5.5% from 1.5% in Q4FY23) buoyed by the Central Government's thrust on capital expenditure. Real Gross Value Added (GVA) increased by 8.3% (from 6% in Q4FY23), aided by services growth at 10.7% (mainly financial, real estate services). In Q2FY24, real GDP growth of 8.1% was buoyed mainly by investment growth of 11.6% (the Central Government's capex thrust was again visible here) and Government expenditure growth of 14%, while private consumption growth remained tepid. Real GVA growth moderated but remained robust at 7.7%, led by a strong industrial sector growth of 13.6%. In Q3FY24, real GDP growth surprised on the upside at 8.6%, while real GVA growth was at 6.8%. GDP growth continued to be led by investment growth of 9.7%, while GVA growth was led by services and industry growth of 7.1% and 10.5%, respectively (though the latter slowed from Q2FY24). In Q4FY24, real GDP growth further surprised on the upside at 7.8% (although slower than Q3FY24). Real GVA growth also moderated to 6.3%. Notably, the wide divergence between real GDP-GVA growth rates due to the high growth in net indirect taxes (indirect taxes-subsidies) continued in Q4FY24.

The National Statistics Office (NSO) estimates real GDP growth in FY 2023-24 at 8.2% (revised up from 7.6% as per the NSO's second advance estimate), improving sharply from 7% in FY 2022-23. On a value-added basis, real GVA growth is estimated at 7.2% in FY 2023-24 (higher than 6.7% in FY 2022-23), led by industry growth of 9.5% (mainly manufacturing and construction) and services of 7.6% (mainly financial, real estate and professional services).

The FY2025 Interim Union Budget focused squarely on fiscal consolidation. Capital expenditure growth was muted across defence, railways and roads (though there is some buffer for higher allocation), while refraining from any outsized populist measures. The government, in its interim budget, prioritized fiscal consolidation and rationalized expenditure to improve the quality of the fiscal situation. It has targeted central GFD/GDP at 5.1% in FY2025BE (compared to 5.6% in FY2024RE), staying on course to reach the targeted 4.5% level by FY2026. The strong focus on fiscal consolidation was further visible in (1) an 8% YoY decline in subsidies, (2) a modest 6% YoY increase in the rural social sector schemes and (3) a muted 5% YoY increase in capex in defence, railways and roads. The central government has targeted an 11% growth in tax revenues and total expenditure growth of 6%. The divestment target has been pegged at ₹ 500 billion.

Domestic Price Dynamics

Headline CPI Inflation in FY 2023-24 started off on a positive note, with the Q1FY24 average at 4.6% (compared to 6.2% in Q4FY23). However, with a late start to the monsoons and weak rainfall, the surge in prices of vegetables, cereals, and pulses caused headline inflation to surge to 7.4% in July 2023 before moderating to 6.8% and 5% in the next two months (Q2FY24 average at 6.4%). Food inflation continued to remain volatile, contributing the most to headline inflation in the following months. However, a significant respite was the steady fall in core inflation (CPI excluding food, beverages and fuel) amid the normalization in global commodity prices. Core inflation averaged 4.3% in FY 2023-24. Additionally, crude oil prices were lower by 13.7% in FY 2023-24 from the previous year. Further providing comfort was the lower inflation trajectory witnessed in H2FY24 (average of 5.2% compared to average of 5.5% in H1FY24).

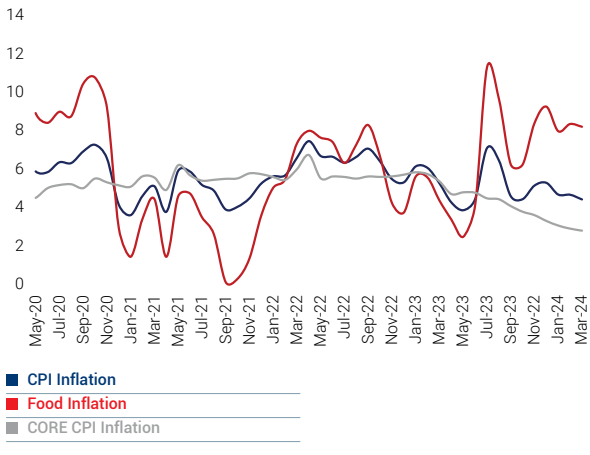
FY 2023-24 Real GVA growth at 7.2%

Real GVA growth in FY 2024 (%)



Source: CEIC, Kotak Economics Research

CPI inflation has averaged 5.36% in FY 2023-24 against 6.66% in FY 2022-23



Source: CEIC, Kotak Economics Research

Monetary Policy and Interest Rates

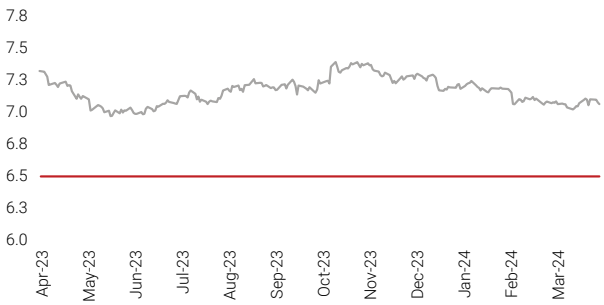
On the monetary policy front, the RBI maintained status quo on the repo rate (at 6.5%) and the stance ("withdrawal of accommodation") through FY 2023-24. Amid the volatility arising from food inflation and global geopolitics impacting energy prices, the MPC exercised caution and has remained committed to bring down headline CPI inflation to the 4% target.

Banking system liquidity remained in surplus zone through most of H1FY24, led largely by the RBI's FX intervention (US Dollar purchases) and the withdrawal of the ₹ 2,000 bank notes from circulation. In order to offset the surplus liquidity, the RBI introduced a temporary incremental CRR (I-CRR) hike of 10% on the incremental Net Demand and Time Liabilities (NDTL) during 19th May to 28th July, 2023. In the October 2023 monetary policy meeting, with regard to the surge in unsecured loans, the RBI issued an advisory to banks and non-banking financial corporations (NBFCs) to strengthen internal surveillance, address risk build-up and implement suitable safeguards to ensure robust risk management and stronger underwriting standards.

The system liquidity shifted to the neutral-to-deficit zone from mid-September 2023 (with only brief moves into surplus) due to limited government spending and the RBI's FX intervention (US Dollar sales). Consequently, the overnight money market rates increased and stayed around the upper end of the LAF corridor at 6.75% (the monetary policy operating target framework required overnight rates to be closer to the repo rate). From February 2024, liquidity conditions improved and overnight rates moderated towards the repo rate. The RBI used fine-tuning liquidity operations (variable repo and variable reverse repo operations) to keep the overnight rates anchored around the repo rate of 6.5%.

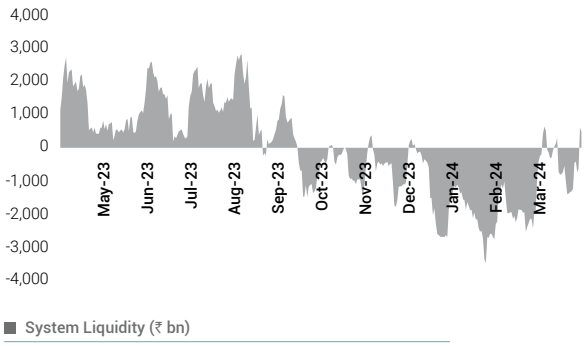
The Indian bond market continued to track cues, mainly from US treasury yields, crude oil prices and the domestic inflation trajectory. With inflation having peaked, markets were preparing for the end of the global "synchronized" monetary tightening and expectations of a prolonged pause. Consequently, while US treasury yields were on an uptrend, comforting domestic inflation in Q1FY24 caused the downtrend in bond yields, with the Indian 10-year benchmark yield falling to 6.94% in May 2023 (the lowest in FY 2023-24). Following this, however, with the domestic inflation outlook turning adverse and the US Federal Reserve pushing back against expectations of early rate cuts (amid robust US growth and labour market data and inflation remaining sticky and elevated), bond markets came under pressure. However, in late-September 2023, bond markets received support from the announcement of the inclusion of India's government securities in J.P. Morgan's GBI-EM bond index (the inclusion would be staggered over 10 months starting from June 2024). Following this announcement, however, the RBI Governor's mention of possibility of OMO sales (in the October 2023 monetary policy) to manage system liquidity soured bond market sentiments. The 10-year benchmark yield surged to FY 2023-24's high of 7.40% following the MPC meeting. However, since then, heavy FPI inflows in the debt segment, fading expectations of OMO sales amid persistent tightness in system liquidity and a moderating domestic inflation trajectory have aided in the softening of bond yields. Further aiding bond market sentiments was the significantly lower-than-expected gross borrowing number of ₹ 14.1 trillion (as well as a lower-than-expected GFD/GDP ratio of 5.1%) in the FY 2024-25 Interim Budget. Consequently, the 10-year benchmark yield ended FY 2023-24 at 7.06% (26 bps lower than the previous year's closing).

The spread between repo rate and 10-year benchmark G-Sec yield has narrowed



Source: Bloomberg, Kotak Economics Research

The system liquidity surplus has fallen; has mostly been in deficit zone in H2 FY2023-24



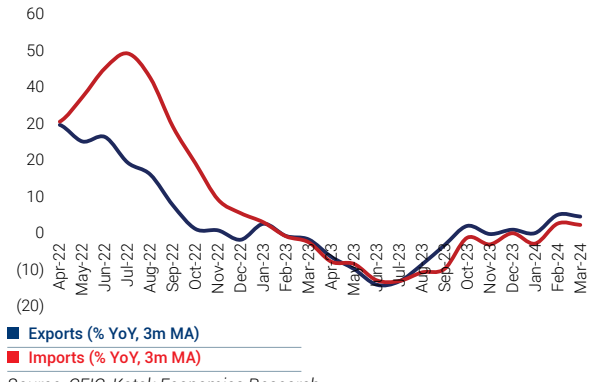
Source: RBI, Kotak Economics Research

External Sector Dynamics and the USD/INR

The external sector in FY 2023-24 came under pressure initially from a widening of the goods trade deficit (mainly due to the rising oil prices amid OPEC+ production cuts). However, the outlook improved in Q2-Q3FY24, aided by a surge in services surplus and robust FPI inflows in the debt segment (following the announcement of the inclusion of Indian government securities in the J.P. Morgan GBI-EM bond index). In Q1FY24, a widening of the non-oil goods trade deficit and a fall in services surplus weighed on the current account balance. The current account deficit widened to 1.1% of GDP (from 0.2% in Q4FY23). In Q2-Q3FY24, however, an improvement in the net services surplus, aided by software exports and transfers, helped reduce the impact of the widening of the goods trade deficit. At the same time, though the capital account surplus moderated in Q2 to USD 13 billion from USD 34 billion from the previous quarter (fall in FDI, FPI and banking capital), the improvement in FPI and banking capital inflows in Q3FY24 (pushing up capital account to USD 17 billion) helped offset the current account deficit. Positively, in Q4FY24, the current account turned surplus to 0.6% of GDP, aided by moderating trade deficit, even as services surplus eased marginally. The capital account surplus also remained robust at USD 25 billion (versus USD 15 billion in Q3FY24), led by continued FPI flows. Consequently, in Q4FY24, the BOP registered a surplus of USD 30.8 billion. Overall, in FY 2023-24, the BOP registered a surplus of USD 63.7 billion, with the current account deficit at 0.7% of GDP (from 2% deficit in FY 2022-23) and capital account surplus of USD 86 billion (from USD 59 billion in FY 2022-23).

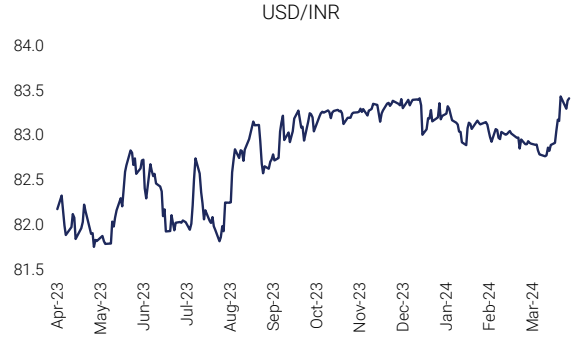
On the FX front, the INR has broadly retained its depreciation bias (1.5% fall in FY 2023-24 from the previous year) amid the RBI's regular FX intervention, US Dollar strength amid delays to the start of the US Federal Reserve's rate cut cycle and volatile crude oil prices (amid voluntary OPEC+ production cuts and geopolitical conflicts). In Q1FY24, the DXY index was on an uptrend, tracking the rate hikes by the US Federal Reserve. However, following the peak of the tightening, the DXY index fell briefly to sub-100 levels (from 104-levels in mid-June). Tracking these cues, along with FPI inflows to the tune of USD 16 billion in Q1FY24, kept the INR supported against the US Dollar in the range of ₹ 81.61- ₹ 82.86. However, robust growth and elevated inflation above the Fed's target lent support to the US Dollar again, weighing on the INR in Q2FY24. Positively, the inclusion of the Indian government securities in the J.P. Morgan GBI-EM index helped increase FPI flows in Q3FY24, which lent support to the INR. However, delays in the monetary easing cycle by the Fed in the backdrop of resilience of the US economy and sticky inflation have kept the DXY index elevated, keeping the pressure on the INR. Overall, the INR traded in a range of ₹ 81.61-83.48 in FY 2023-24, with the RBI managing the volatility by intervening on both sides opportunistically. The FX reserves in FY 2023-24 increased by USD 67.1 billion.

Import and export growth normalized in FY 2023-24



Source: CEIC, Kotak Economics Research

INR fell remained under pressure from persisting US Dollar strength



Source: Bloomberg, Kotak Economic Research

CONSOLIDATED FINANCIAL PERFORMANCE

The Bank, along with its subsidiaries (the Group), offers a comprehensive range of financial products and services to its customers. The key businesses are Commercial Banking, Investment Banking, Stock Broking, Vehicle Finance, Advisory Services, Asset Management, Life Insurance and General Insurance.

The financial results of the subsidiaries and associates used for the preparation of the consolidated financial results are in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 and relevant provisions of the Companies Act, 2013.

During the year, domestic rating of fixed deposits and long-term instruments issued by the Bank and the major entities in the Group continued to be rated "AAA".

Entity-Wise Capital and Reserves of the Group

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Kotak Mahindra Bank Limited	96,639.46	83,459.95*
Kotak Mahindra Prime Limited	9,176.48	8,305.90
Kotak Mahindra Investments Limited	3,329.02	2,814.81
Kotak Infrastructure Debt Fund Limited	519.61	476.20
BSS Microfinance Limited	1,009.85	626.63
Sonata Finance Private Limited	389.41	NA
Kotak Securities Limited	8,286.15	7,107.97
Kotak Mahindra Capital Company Limited	1,181.03	1,000.38
Kotak Mahindra Life Insurance Company Limited	5,863.23	5,327.70
Kotak Mahindra General Insurance Company Limited^	447.12	341.07
Kotak Mahindra Asset Management Company Limited and Kotak Mahindra Trustee Company Limited	2,520.94	2,107.51
Kotak Alternate Asset Managers Limited#	864.58	805.72
International Subsidiaries	1,962.36	1,746.49
Other Entities	94.09	88.10
Total	**132,283.33**	**114,208.44**
Add: Share in Associates	1,587.34	1,350.96
Less: Consolidated Adjustments	(3,978.27)	(3,305.31)
Consolidated Capital and Reserves	**129,892.40**	**112,254.09**

**Includes Preference Share Capital of ₹ 500 crore*

^During FY 2023-24, the Bank has infused additional capital of ₹ 195 crore

#Formerly known as Kotak Investment Advisors Limited

On 28th March, 2024, the Bank acquired 100% of the issued and paid up capital of Sonata Finance Private Limited ("Sonata"), a Non-Banking Finance Company – Micro Finance Institution registered with the RBI, for a total consideration of ₹ 537 crore. With this acquisition, Sonata has become a wholly owned subsidiary of the Bank

On 18th June, 2024, pursuant to completion of relevant conditions, including the receipt of relevant regulatory approvals, Zurich Insurance Company Limited has completed the acquisition of 70% of the share capital of Kotak Mahindra General Insurance Company Limited ("KGI"). KGI has ceased to be a wholly-owned subsidiary of the Bank on 18th June, 2024 and the Bank now holds the remaining 30% of the share capital of KGI.

Consolidated Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	94,273.91	68,142.03
Consolidated Profit After Tax	18,213.21	14,925.01
Consolidated Capital and Reserves	129,892.40	112,254.09
Key Ratios		
Return on Average Assets (RoAA) %	2.66%	2.62%
Return on Average Equity %	15.08%	14.36%
Earnings per equity share (diluted) (₹)	91.45	74.94
Book-value per equity share (₹)	653.41	562.55
Net Interest Margin (NIM) %	5.31%	5.36%
Gross NPA %	1.38%	1.76%
Net NPA %	0.36%	0.41%
Consolidated Capital Adequacy Ratio (CAR) %*	21.82%	23.25%
CET I*	20.72%	22.27%

*As per Basel III norms issued by the RBI

The financial results of subsidiaries are explained later in this discussion. A snapshot of the entity-wise Profit before Tax (PBT) and Profit after Tax (PAT) is as follows:

Financial Results of Subsidiaries

(₹ in crore)

Particulars	FY 2023-24		FY 2022-23	
	PBT	PAT	PBT	PAT
Kotak Mahindra Bank Limited	18,013.72	13,781.58	14,390.99	10,939.30
Kotak Mahindra Prime Limited	1,188.36	888.06	1,110.06	828.96
Kotak Mahindra Investments Limited	690.51	514.21	439.32	326.26
Kotak Infrastructure Debt Fund Limited	43.40	43.40	27.83	27.83
BSS Microfinance Limited	509.04	383.22	396.29	297.21
Sonata Finance Private Limited*	(16.64)	(13.71)	NA	NA
Kotak Securities Limited	1,635.18	1,226.17	1,150.19	865.22
Kotak Mahindra Capital Company Limited	276.69	215.01	192.48	149.28
Kotak Mahindra Life Insurance Company Limited	1,041.24	688.62	1,462.72	1,053.31
Kotak Mahindra General Insurance Company Limited	(88.95)	(88.95)	(117.28)	(117.28)
Kotak Mahindra Asset Management Company Limited and Kotak Mahindra Trustee Company Limited	705.84	525.18	713.33	554.76
Kotak Alternate Asset Managers Limited#	76.87	58.84	51.95	42.27
International Subsidiaries	219.74	188.72	90.32	76.31
Others	7.91	5.99	0.27	(0.70)
Total	**24,302.91**	**18,416.34**	**19,908.47**	**15,042.73**
Add: Share in Associates		236.38		144.57
Less: Inter-company and Other Adjustments		(439.51)		(262.29)
Consolidated PAT		18,213.21		14,925.01

**Acquired on 28th March, 2024*

#Formerly known as Kotak Investment Advisors Limited

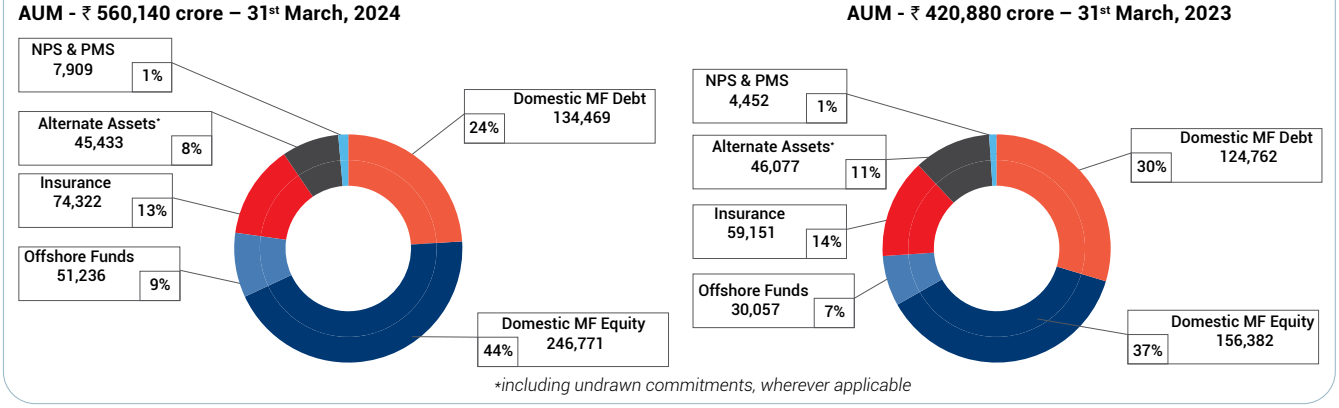
Contribution of the Associate Companies to the Group for FY 2023-24

(₹ in crore)

Name of the Company	Investment by Kotak Group	% shareholding of the Group	Contribution to Profit	Contribution to Capital and Reserves
Infina Finance Private Limited	1.10	49.99%	128.13	1,224.83
Phoenix ARC Private Limited	100.02	49.90%	108.25	362.51

Assets Under Management (AUM) Across the Group

Assets Under Management (AUM), including undrawn commitments, as on 31st March, 2024 were ₹ 560,140 crore (₹ 420,880 crore as on 31st March, 2023), comprising assets managed and advised by the Group.



*including undrawn commitments, wherever applicable

The Group has a wide distribution network of branches and franchisees across India, an International Business Unit at Gujarat International Finance Tec-City (GIFT), overseas branch at the Dubai International Financial Centre (DIFC) and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore.

BANK AND ITS SUBSIDIARIES: FINANCIAL AND OPERATING PERFORMANCE

BANK HIGHLIGHTS

Kotak Mahindra Bank Limited ("Bank") is the flagship company of the Kotak Group. The principal business activities of the Bank are organised into Consumer Banking, Commercial Banking, Wholesale Banking, Treasury, Private Banking and resolution of acquired stressed assets. The Consumer, Commercial and Wholesale Banking businesses correspond to the key customer segments of the Bank. The Treasury offers specialised products and services to these customer segments. It further undertakes asset liability management as well as proprietary trading for the Bank.

Profit Before Tax (PBT) of the Bank for FY 2023-24 was ₹ 18,013.72 crore as against ₹ 14,390.99 crore for FY 2022-23. Profit After Tax (PAT) of the Bank was ₹ 13,781.58 crore in FY 2023-24 compared with ₹ 10,939.30 crore in FY 2022-23. RoAA for FY 2023-24 was 2.61% compared to 2.47% for FY 2022-23.

FINANCIAL PERFORMANCE

Synopsis of the Profit and Loss Account **(₹ in crore)**

Particulars	FY 2023-24	FY 2022-23
Net Interest Income	25,993.20	21,551.92
Other Income	10,273.10	7,083.05
Net Total Income	**36,266.30**	**28,634.97**
Employee Cost	6,856.37	5,519.83
Other Operating Expenses	9,822.48	8,267.16
Operating Expenditure	**16,678.85**	**13,786.99**
Operating Profit	**19,587.45**	**14,847.98**
Provision and Contingencies (Net)	**1,573.73**	**456.99**
Provision on Advances (Net)	1,594.81	637.02
General Provision Covid-19 related	(124.90)	(159.55)
Provision on Other Receivables	24.60	0.57
Provision on Investments	79.22	(21.05)
PBT	**18,013.72**	**14,390.99**
Provision for Tax	4,232.14	3,451.69
PAT	**13,781.58**	**10,939.30**

Net Interest Income

Net Interest Income ("NII") of the Bank for FY 2023-24 was ₹ 25,993.20 crore compared to ₹ 21,551.92 crore for FY 2022-23. The Bank had a Net Interest Margin ("NIM"), excluding dividend income and interest on income-tax refund, of 5.32% for FY 2023-24 compared to 5.33% for FY 2022-23. During the year:

- The yield on interest earning assets increased from 8.49% for FY 2022-23 to 9.42% for FY 2023-24, mainly due to an increase in the yields of advances and investments and a change in asset mix. 58% of the loan book as on 31st March, 2024 is linked to the Repo rate up from 57% as on 31st March 2023. Repo rates have been constant in FY 2023-24 at 6.50%, which were increased in FY 2022-23 from 4.00% to 6.50%.
- Cost of funds increased from 3.71% in FY 2022-23 to 4.77% in FY 2023-24, primarily due to a change in the liability mix and an increase in the interest rates of term deposits, certificate of deposits and borrowings.
- Average interest earning assets increased by 10.75% from ₹ 401,932.08 crore for FY 2022-23 to ₹ 482,303.85 crore for FY 2023-24.

Non-Interest Income

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Commission, Exchange and Brokerage	7,048.54	5,440.01
Profit on Sale / Revaluation of Investments	921.98	(976.80)
Profit on Exchange Transactions (Net) (Including Derivatives)	1,403.27	1,636.66
Profit on Recoveries of Non-Performing Assets Acquired / Stress assets acquired	303.10	310.98
Income From Subsidiaries/Associates Towards Shared Services	147.20	122.33
Dividend From Subsidiaries	308.90	242.27
Others	140.11	307.60
Total Other Income	**10,273.10**	**7,083.05**

Non-interest income increased from ₹ 7,083.05 crore in FY 2022-23 to ₹ 10,273.10 crore in FY 2023-24 due to:

- Increase in commission, exchange and brokerage income, mainly due to an increase in services charges on loans, direct banking fees and charges, credit card fees, third party distribution income and referral fees.
- Higher profit on sale of Exchange Transactions (Net) (Including Derivatives).

Employee Cost

Employee cost of the Bank increased from ₹ 5,519.84 crore for FY 2022-23 to ₹ 6,856.37 crore for FY 202324, primarily due to an increase in employee count and an increase in retirement obligations. The employee base increased from 73,481 as on 31st March, 2023 to 77,923 as on 31st March, 2024.

Other Operating Expenses

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Rent, Taxes And Lighting	833.67	825.47
Printing and Stationery	194.41	168.68
Advertisement, Publicity and Promotion	970.91	632.64
Depreciation on Bank's Property	614.79	461.73
Directors' Fees, Allowances and Expenses	5.74	3.57
Auditors' Fees and Expenses	4.16	3.88
Law Charges	31.80	43.57
Postage, Telephone Etc.	417.84	366.54
Repairs And Maintenance	1,102.66	929.35
Insurance	468.90	390.72
Professional Charges	1,955.94	1,647.68
Brokerage	770.58	707.83
Goods and Service Tax (GST) Expenses	518.99	509.47
Other Expenditure	1,949.14	1,592.10
Reimbursement From Group Companies	(17.05)	(16.07)
Total	**9,822.48**	**8,267.16**

Other operating expenses were ₹ 9,822.48 crore for FY 2023-24 compared to ₹ 8,267.16 crore for FY 2022-23, with the increase primarily in:

- Technology spends
- Promotional spends
- 811 acquisition cost and higher amount of fee payments to business correspondents, which is consistent with business volumes

- Payment network costs
- SMS, telephone and printing and stationery expenses
- ATM acquiring fees and subvention expenses
- Recovery expenses and legal charges
- Expenditure on Corporate Social Responsibility (CSR) activities.

The Bank's Cost-to-income ratio was 45.99% for FY 2023-24 compared with 48.15% for FY 2022-23.

Provisions and Contingencies (excluding tax)

Provisions and contingencies (excluding tax) were ₹ 1,573.73 crore for FY 2023-24 compared to ₹ 456.99 crore for FY 2022-23, primarily due to higher specific provision on loans (excluding Covid-19 related provisions) by ₹ 957.79 crore, higher provision on investments in FY 2023-24 as against reversal of provision in FY 2022-23.

The Bank held an aggregate COVID-19 related provision of ₹ 387.45 crore as of 1st April, 2023. During the year, the Bank has reversed provisions aggregating to ₹ 124.90 crore based on actual collections / reduction in underlying outstanding and continues to hold provision of ₹ 262.55 crore as at 31st March, 2024.

Credit cost on Advances (excluding COVID-19 and restructuring provisions) was 45 bps for FY 2023-24 compared to 22 bps for FY 2022-23.

Provision for Tax

Provision for tax increased from ₹ 3,451.69 crore for FY 2022-23 to ₹ 4,232.14 crore for FY 2022-23, primarily due to higher profits in FY 2023-24.

BALANCE SHEET

The assets and liabilities composition of the Bank, is as follows:

(₹ in crore)

Liabilities	31st March, 2024	31st March, 2023
Capital and Reserves	96,639.46	83,459.95
Deposits	448,953.75	363,096.05
– Current Account Deposits (CA)	75,208.29	70,030.24
– Fixed Rate Savings Account Deposits (SA)	109,078.50	111,400.09
– Floating Rate Savings Account Deposits (SA)	20,016.66	10,384.93
– Term Deposits (TD) Sweep	47,051.95	23,338.89
– Other TDs	197,598.35	147,941.90
Borrowings	28,368.10	23,416.27
Other Liabilities and Provisions*	26,395.74	19,890.21
Total	**600,357.05**	**489,862.48**

(₹ in crore)

Assets	31st March, 2024	31st March, 2023
Cash and Bank Balances	52,788.40	32,542.31
Investments	155,403.76	121,403.73
– Government Securities	113,672.84	89,852.54
– Credit Substitutes	31,595.28	27,108.81
– Other Securities	10,135.64	4,442.38
Advances	376,075.27	319,861.21
Fixed Assets and Other Assets	16,089.62	16,055.23
Total	**600,357.05**	**489,862.48**

**Includes Employees' Stock Options (Grants) Outstanding of ₹ 79.29 crore as on 31st March, 2024 (₹ 60.31 crore as on 31st March, 2023).*

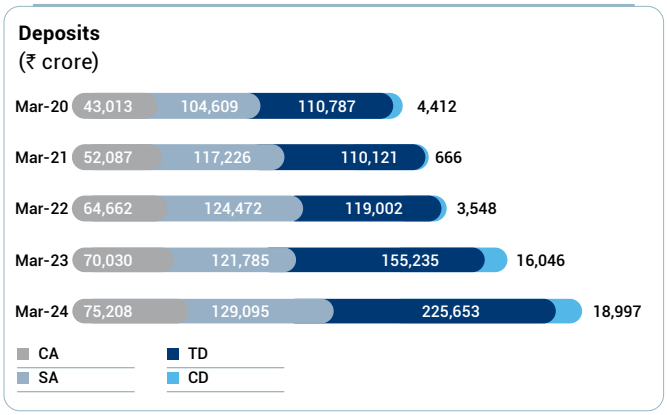
The Bank has redeemed Perpetual Non-Cumulative Preference Share Capital of ₹ 500 crore during the quarter ended 31st March, 2024 and created capital redemption reserve to that extent, out of the profits available for appropriation.

The Bank's capital adequacy continues to be healthy, with overall CRAR at 20.55% (CET1 ratio 19.25%) as compared to 21.80% (CET1 ratio 20.64%) as on 31st March, 2023.

Deposits

The Bank's strategy is based on its fundamental philosophy to build a low-cost and stable liability franchise. The Bank's deposits grew to ₹ 448,953.75 crore as on 31st March, 2024 compared to ₹ 363,096.05 crore as on 31st March, 2023. CASA deposits increased to ₹ 204,303.46 crore as on 31st March, 2023 compared to ₹ 191,815.26 crore as on 31st March, 2023. CASA ratio stood at 45.51% as on 31st March, 2024 compared to 52.83% as on 31st March, 2023.

Fixed Rate Savings account (SA) deposits stood at ₹ 109,078.50 crore and Current account (CA) deposits stood at ₹ 75,208.29 crore. Growth in low-cost deposits was impacted by a higher interest-rate environment and resultant alternate opportunities available with depositors to deploy funds at a higher return. Total Term deposits (TD), including certificate of deposits, grew by 42.84% to ₹ 244,650.29 crore.



CASA plus term deposits below ₹ 5 crore account for 79% of the total deposits.

Advances

The classification of advances of the Bank is as follows:

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Home Loans (HL) and Loan Against Property (LAP)	106,725.96	92,731.16
Consumer Bank Working Capital (Secured)	35,997.34	29,388.63
Personal Loans, Business Loans and Consumer Durables	20,048.48	15,773.02
Credit Cards (CC)	14,504.66	10,090.36
Consumer Banking Advances	**177,276.45**	**147,983.17**
CV/CE	36,832.99	27,792.34
Agriculture Division	27,850.12	27,528.38
Tractor Finance	15,801.78	13,908.74
Retail Micro Finance	9,983.00	6,225.00
Commercial Banking Advances	**90,467.89**	**75,454.46**
Corporate Banking Advances	**87,310.46**	**72,404.90**
SME	**27,247.22**	**23,107.65**
Others	9,426.71	6,593.12
Advances (A)	**391,728.73**	**325,543.30**
Credit Substitutes	31,595.28	27,108.81
Customer Assets (A+B)	**423,324.01**	**352,652.10**
IBPC and BRDS (C)	15,653.46	5,682.09
Net Advances (A-C)	**376,075.27**	**319,861.21**

Advances grew at 17.57% to ₹ 376,075.27 crore as on 31st March, 2024 compared to ₹ 319,861.21 crore as on 31st March, 2023. Customer Assets grew at 20.04% to ₹ 423,324.01 crore as on 31st March, 2024 compared to ₹ 352,652.10 crore as on 31st March, 2023. Growth in Advances was seen mainly in the retail banking segment through home loans and loans against property (LAP), consumer bank working capital (Secured), personal loans, business loans, consumer durables and credit cards.

The Bank's credit deposit ratio stood at 83.77% as of 31st March, 2024 over 88.09% as of 31st March, 2023.

Asset Quality

The position of Gross and Net NPA is, as under:

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Gross NPA	5,274.78	5,768.32
Gross NPA %	1.39%	1.78%
Net NPA	1,270.57	1,193.30
Net NPA %	0.34%	0.37%

Slippages for FY 2023-24 were ₹ 5,001.11 crore (FY 2022-23: ₹ 3,989.93 crore), whereas recoveries and upgrades were ₹ 3,236.73 crore (FY 2022-23: ₹ 3,900.97 crore). The provision coverage ratio, including technical write-off, was 80.07% as of 31st March, 2024 as compared to 83.77% as of 31st March, 2023. Total provisioning towards advances (including specific, standard, Covid related, etc.) held as on 31st March, 2024 was ₹ 5,903.15 crore.

Restructuring

Standard Restructured Fund Based outstanding under the Covid resolution frameworks was ₹ 154.14 crore as at 31st March, 2024 (0.04% of Advances) and under MSME resolution frameworks was ₹ 228.52 crore as at 31st March, 2024 (0.08% of Advances). The Bank has maintained restructuring provision of ₹ 101.72 crore as on 31st March, 2024.

Directed Lending

Priority Sector Lending and Investments

The RBI guidelines on priority sector lending require banks to lend 40.0% of their adjusted net bank credit (ANBC), to fund certain types of activities carried out by specified borrowers. Out of the overall target of 40.0%, banks are required to lend a minimum of 18.0% of their ANBC to the agriculture sector. Sub-targets of 10.0% for lending to small and marginal farmers (out of agriculture) and 7.5% lending target to micro-enterprises were introduced from fiscal 2016. Average lending to non-corporate farmers is notified by the RBI on basis of the banking system's average level at the beginning of each year. The RBI notified a target level of 13.78% of ANBC for this purpose for fiscal 2022 (FY 2022-23: 13.78%). The banks are also required to lend 12.0% of their ANBC to certain borrowers under the 'weaker section' category. Priority sector lending achievement is evaluated on a quarterly average basis.

The shortfall in the amount required to be lent to the priority sectors and weaker sections may be required to be deposited in funds with government sponsored Indian development banks such as the National Bank for Agriculture and Rural Development, the Small Industries Development Bank of India, the National Housing Bank, MUDRA Limited and other financial institutions as decided by the RBI from time to time. These deposits have a maturity of up to seven years and carry interest rates lower than market rates. As at 31st March, 2024, the Bank's total investment in such bonds was ₹ 3,253.85 crore (31st March, 2023: ₹ 4,544.50 crore), which was fully eligible for consideration in overall priority sector lending achievement.

In FY 2016, the RBI introduced Priority Sector Lending Certificates (PSLCs) scheme to enable banks to achieve the priority sector lending target and sub-targets by purchase of PSLC instruments in the event of shortfall and at the same time incentivize the surplus banks; thereby enhancing lending to the categories under the priority sector. In FY 2023-24, the Bank has sold Priority Sector Lending Certificates (PSLCs) amounting to ₹ 64,754.00 crore (FY 2022-23: ₹ 58,383.75 crore) and purchased PSLCs amounting to ₹ 11,290.00 crore (FY 2022-23: ₹ 9,360.00 crore).

As prescribed in the RBI guideline, the Bank's priority sector lending achievement is computed on a quarterly average basis. Total average priority sector lending for FY 2023-24 was ₹ 1,21,619.65 crore (FY 2022-23: ₹ 114,217.85 crore), constituting 44.06% (FY 2022-23: 48.80%) of ANBC, against the requirement of 40.0% of ANBC.

RESERVE BANK OF INDIA ORDER DATED 24TH APRIL, 2024

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.

The order does not impact servicing and cross-sell of products (excluding new credit cards) to the existing customer base through all channels and does not impact on-boarding of new customers through other than online / mobile banking channels.

The Bank is in the process of taking concrete steps to adopt new technologies to strengthen its IT systems and continues to work with the RBI to swiftly resolve balance issues at the earliest.

Management has evaluated the impact of the order and assessed that there is no impact on going concern and has no material impact on financial statements, including internal financial controls over financial reporting for the year ended 31st March, 2024.

A BRIEF ANALYSIS OF THE PERFORMANCE OF VARIOUS DIVISIONS OF THE BANK IS, AS FOLLOWS:

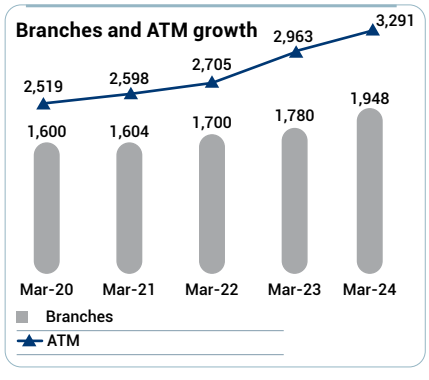
CONSUMER BANKING

Branch Banking

The Consumer Banking business services a wide spectrum of customers across domestic individuals and households, non-residents, small and medium business segments, for a range of products from basic Savings and Current Accounts to Term Deposits, Credit Cards, Unsecured and Secured Loans, Working Capital, Digital Payments, Protection and Investments.

Network

As of 31st March, 2024, the Bank had 1,948 branches, 3,291 Automated Teller Machines ("ATMs") and Recyclers and 4,435 Micro ATM installations. The Bank also has a branch at Dubai International Financial Centre ("DIFC") and Gujarat International Finance Tec-City ("GIFT City").



Key initiatives taken during the year are:

Products and Services

The Bank is continuously working towards building digital synergies that will enhance overall customer experience during onboarding.

ActivMoney, a two-way auto sweep facility, was re-launched and re-positioned as a tool for smarter money management aiding higher income and liquidity. The product allows flexibility to access funds anytime and offers attractive rates on FD and penalty waiver in case of pre-closure. The on-boarding process was simplified to just a few clicks in the digital assisted account opening journey as well the mobile banking journey. To popularize the ActivMoney facility, the Bank launched an extensive Print and TVC media campaign.

The Bank increased the additional rate for senior citizen retail (below ₹ 2 crore) fixed deposits in a few select long term tenors. The Bank also offered the senior citizen rate benefit on select few popular tenors of bulk deposits (₹ 2 crore to less than ₹ 5 crore). These attractive rates were popularized by way of print media and backed by extensive Direct to customer outreach.

The Bank has further streamlined its existing account opening journeys using assisted biometric route, and approximately 90% of the accounts are opened through its assisted biometric journey.

With the vision of providing our most premium customers, the exclusivity that they deserve, Privy League a flagship programme for High Net Worth customers was re-launched in FY 2023-24. The programme entails multiple first-of-its kind experiences, namely, Debit Card with unique and exclusive designs, access to Luxury Concierge, multiple lifestyle discounts / membership on Favourite categories such as Dining and Travel.

The Bank has successfully integrated the investment process through Kotak Cherry, with the savings on-boarding journey, enabling customers with an option to activate seamless investments in Mutual Funds, including Systematic Investment Plans ("SIP"). Easy and convenient transaction process from Cherry has led to growth in SIP registration.

Mirroring some of the initiatives in the Privy Savings Account space, the Bank also introduced new variants of Debit Card to deliver superior features and experience to customers, namely, Privy Neon Card, Privy Platinum LED Card and Privy Black Metal Card.

The Bank launched the digital journey for current account opening for small businesses and opened up a new avenue of online bank account opening, backed by a convenient and paperless experience. This journey also offers an online current account with a pay-as-per-usage feature and a free QR code.

The Bank launched the Global Service Account - A current account specially designed to meet the unique banking needs of the service export sector.

Kotak Start-up Current Account was relaunched with enhanced features like preferential trade and forex pricing, specially curated offers and much more to help start-ups in their entrepreneurial journey.

Recognising the promotion of start-ups as one of the crucial pillars for building the economy, the Bank has participated in multiple start-up events in collaboration with IIT Madras, IIM Ahmedabad, etc. to interact with the start-up community and increase awareness of financial solutions. The Bank has also signed an MOU with I-Hub Gujarat to participate in upcoming programmes/events to increase visibility in the start-up ecosystem.

The Bank launched an option for customers to upgrade their accounts through net and mobile banking to avail various benefits available with their current account with the bank. The Bank also launched an automated customer profiling tool to provide need-based recommendations and customised solutions for business banking customers. The solution has the functionality to share standardised content with prospective customers, which helps in ease of business and increases transparency.

The Bank has also received the Receiving Office License for mobilisation in GOI Floating Rate Savings Bonds (FRSB) 2020 (Taxable) or RBI Bonds in FY 2023-24. This is a popular investment instrument amongst retail investors as it has attractive rate of interest and high credibility. The Bank has also digitised the investment process in RBI Bonds. Customers can log-in to internet banking and invest in RBI Bonds seamlessly.

In FY 2023-24, the Bank has also introduced One-view investment portfolio statement. This 360 degree investment portfolio statement provides the customer holding details and current value for all your investments in Fixed Deposits, Mutual Funds, Portfolio Management Services (PMS), Alternative Investment Fund (AIF), DP holdings with Kotak Bank, Insurance (ULIP Funds), National Pension System, along with Bank Account balance. This one-view portfolio statement can be accessed by log-in to the internet banking. This provides various reports including the consolidated holdings, transaction report, capital gains/loss report, grand fathering report, etc.

The Bank offers a wide array of exclusive benefits like complimentary protection benefits, free credit card and lifetime zero charges to customers, amongst others, on the Bank's Corporate Salary Account. The account has been designed for corporate professionals providing a gamut of attractive deals and services across lifestyle, travel, healthcare and dining. The Bank during the year has invested on consumer research, to garner critical understanding of latent consumer needs. Consequent to the research undertaken, the Bank is building customer-centric value propositions specific to microsegments within salaried customer base amongst others. The Bank has worked on opening the gates towards larger acquisition of premium customers, creating a new Salaried offering with protection benefits and focused on a specialized proposition for the women workforce.

The Kotak remit platform, which facilitates customers to digitally remit money abroad, has become one of the primary modes of such transactions. This, along with centralized processing of all other outward remittances, has improved operational efficiency and enhanced the execution Turn Around Time (TAT). The Bank has forged successful strategic partnerships with multiple brokers to facilitate international investment and has enabled Kotak GIFT City and DIFC on the Kotak Remit platform. This would further facilitate individual customers to remit funds with ease for capital investments abroad.

During the year, the Bank enabled the bundling of a Cyber Insurance policy as well, along with the digital 811 account onboarding journey. In Life Insurance products, the Bank created customized solutions targeting various sections and persona. A High IRR Non-Participating Guaranteed Product – Kotak Guaranteed Fortune Builder was also added in the bouquet of Life Insurance Products.

The Bank also targeted the Millennials with a unique proposition. T.U.L.I.P was launched in the second half of the financial year, which primarily caters to protection needs, along with customer's investment objective. It is a Unit Linked Insurance Plan that provides higher Life Insurance coverage.

In line with its customer first objective, the Bank launched RM e-Konnect, a revolutionary platform that facilitates customers to seamlessly connect with their Relationship Manager. This omni-channel interface enables the Bank's Privy League Black customers, to interact with their Relationship Manager and Service Manager over chat, voice or video calls, in a secure environment, through Internet Banking or the Mobile Banking app. Customers can schedule meetings with their Relationship Manager and also request for information regarding their Investment portfolio through a scheduled call with an Investment Specialist or seek view on the Forex rates from a Forex Specialist. Customers can also use the RM eKonnect platform to review and authorize their Mutual Fund investment transactions, with a click of a button.

From 2021, Kotak811 operates as a 'Semi-Autonomous' Digital Bank within the Bank, with additional focus on service, user experience, engagement and cross-selling. As of March 2024, Kotak811 had over 2.3 crore customers residing in more than 1,000 cities and towns across India. In FY 2023-24, the customer base grew by approximately 35% YoY, while deposits increased by 38% and overall throughput increased by 52% YoY. Kotak811 has also started contributing meaningfully to the Bank, across various parameters. In FY 2023-24, 72% of new Savings account were acquired by Kotak811 and over 50% of Credit Cards, Unsecured Loan, Insurance policies (non-life) and Recurring Deposits were cross sold to Kotak811 customers.

The Bank continues to focus on building the human capital, with the focus of nurturing talent and building human capital, leveraging technology and expertise.

The Bank signed a Memorandum of Understanding with Manipal Academy of Higher Education, to launch the Kotak NextGen Bankers Programme to skill and foster industry-ready talent to address the evolving needs of the banking industry. The 12-month Post Graduate Diploma in Relationship Management will train banking aspirants in customer experience and culminate in them being deputed as Branch Relationship Manager at Bank Branches.

The Bank's internal employee response agent KAIRA has AI integrated into our information and knowledge retrieval processes, making it easier for employees to access the right information at the right time. This helps improve our information management, thus enhancing efficiency, and ultimately delivering a superior customer experience

Kotak Learning and Performance Partner (KLAPP) was further enriched with enabling tools to aid our frontline customer facing staff so as to offer customised solutions to our customers on investments and current accounts.

Kotax

The Bank also offers bulk tax payment solution using Net banking and Host-to-Host channel for payment of Direct Taxes. This has provided ease to Corporate and SME Clients for quicker tax payments using seamless digital journey and enhanced customer experience. As digital transactions are being encouraged and scaled up across ecosystems, the Bank is making strides into opening of other options to further ease tax-paying journey for tax payers.

Mobile Banking

The Bank has launched a 'Net Banking Lite platform' for accessing Net Banking from Mobile Devices. It has also improved the Scan and Pay with new features such as gallery upload, generate QR, etc. underpinned by enhanced technology.

Consumer Assets

Consumer Assets team scaled up business across both secured and unsecured products registering an overall growth of 20% during FY 2023-24.

Secured business consisting of Home Loans and Loan Against Property (LAP) registered a growth of 15% during FY 2023-24, while Working Capital had a growth of 22% during same period.

Unsecured business had a strong growth, led by Credit Card registering a growth of 44% in book size during FY 2023-24, while Industry during same period registered a growth of 21%. Also, card spends per card registered a growth of 20% versus Industry growth of 0.5% during same period.

The Bank has launched Myntra Kotak co-brand credit card in FY 2023-24 catering to rising trend of lifestyle purchases among millennials and GenZ

Consumer Banking Advances
(₹ in crore)



customers. It has also enhanced value proposition of PVR card by upgrading this to PVR-INOX card that now provides offers across both PVR and INOX movie screens.

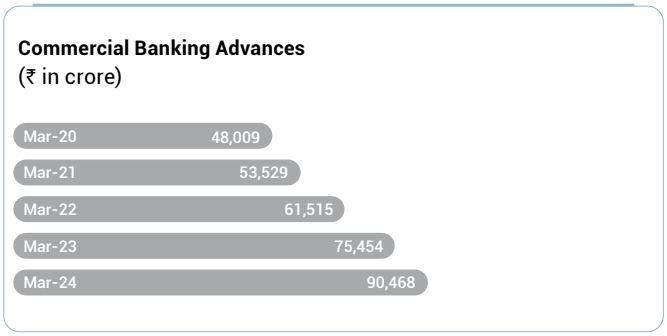
Unsecured business consisting of Personal Loan, Business Loans and Consumer Durables registered a strong growth of 27% during FY 2023-24. This is driven by analytics-based offers provided to existing customers thus enhancing overall customer value proposition.

With an aim of catering to developing geographies, the Bank made significant inroads this year into sourcing business banking clients from semi-urban regions and the high growth micro enterprises segment. The Bank's investment into supply chain finance gave its returns this year with the asset growth being strong for the year. Further, the macro-economic ecosystem has remained healthy this year despite global turbulence which has helped maintain the health of business banking assets book and give good risk-adjusted returns.

COMMERCIAL BANKING

The Bank's Commercial Banking business focuses on meeting the banking and financial needs of various segments, with specialised units offering financial solutions in the areas of Commercial Vehicles ("CV"), Construction Equipment ("CE"), Tractor and Farm Equipment ("Tractor"), SMEs operating in the Agri Value Chain and Micro Finance. The majority of the customers that this business serves in these segments is in semi-urban and rural area and form a part of the priority sector. This business plays a significant role in meeting the financial inclusion goals by financing deep into 'Bharat'.

Trend of commercial advances over the last five years is as below:



Commercial Vehicle

The Commercial Vehicle ("CV") Industry was almost flat at 1% growth for FY 2023-24, whereas the bank has grown 29% in unit terms in the same period. The Bank has grown at 27% in goods segment and 57% in passenger segment for FY 2023-24 in unit terms. In the goods space, the industry remained flat with 2% drop in unit terms, although there is a significant improvement in unit sales of high tonnage models over the previous year. Overall operator economics continues to be fine with freight demand remaining good and improvement in availability of return load. In the passenger space, industry has grown at 29% over FY 2022-23 as all verticals such as Staff, School and Tour and Travels have displayed improved demand. The CV business has grown quite strongly during this period and disbursements have grown YoY by 37%. This has helped the Bank's market share growth, during FY 2023-24, by over 100 bps. Collection efficiency and Gross Non-Performing Assets ("GNPA") continue to show stable trends.

Construction Equipment

The Construction Equipment ("CE") industry registered a healthy growth of around 24% in FY 2023-24. Growth in the Infra sector was led by the Government's continuous increase in budgetary capital allocation to the sector. The Government's ambitious targets under the National Infrastructure Pipeline have helped in boosting the spending towards infrastructure development, specifically in segments like roads, metros, railways, mining, sanitation, etc. Apart from this, improvement in the overall macro-economic environment has led to a strong revival in construction activities and pick-up in demand for CE assets. Disbursements followed a healthy industry growth and grew at 34%. Cash flows in the segment have improved and the delinquency levels remained under control throughout the year.

Tractor and Farm Equipment

In the Tractors and Farm equipment ("Tractor") segment, disbursements grew by 9% in FY 2023-24 despite industry decline of 7.6%, thus gaining market share and maintaining dominant position amongst all other banks and NBFCs in the sector. For the second consecutive year, the Bank crossed the milestone figure of over one lakh new tractor loans. The Bank's continued focus on refinance business led to a strong disbursement growth of 32% in FY 2023-24. Tractor Portfolio registered growth of 14% in FY 2023-24, demonstrating continued commitment towards making a difference in the lives and livelihood of the farmer community. Focus on new products/customer segments and on deeper geographies aided the effort. Collection efficiencies in FY 2023-24 were better than previous years, however, some stress was visible in geographies where monsoon was deficient or erratic.

Agri Business

Agri Value chain saw volatility across multiple commodities and incremental risks due to factors related to extreme weather, regional conflicts and the upcoming elections. These factors continue to hamper limit utilizations leading to a muted growth in advances. So also, the Bank continues to see aggressive appetite of lenders in this space and hence the Bank has become more selective and cautious in choice of business. Overall collections and

recoveries in this segment have improved during the year. The Bank's continued focus has been to improve processes to reduce the TAT for on boarding new clients. Fresh initiatives that have been setup for small ticket Agri loans to farmers in the dairy and other sectors have started showing initial traction. Under this model, the entire farmer on boarding process follows a digital journey (RM assisted).

Micro Credit

The microcredit business segment reported a growth of 60%, including Sonata Finance Private Limited ("Sonata"), in advances in FY 2023-24. The Bank has completed the acquisition of Sonata in March 2024, thereby extending the outreach of the business to sixteen states through a network of over 1,400 BC branches. Including the customer base that the acquisition of Sonata that has now come into the Bank fold, the Bank now has close to 27 lakh customers in the microcredit segment. The demand for credit in semi-urban and rural markets continues to be good. The Bank is on track to leverage its outreach and cater to the requirements of its increasing customer base.

Gold Loan

Gold loan industry in India experienced healthy growth of over 25%, driven by factors like increased gold prices and the need for quick, collateral-based financing solution. Gold loan business has grown quite strongly and registered disbursement growth of 51% and book growth of over 27% at YoY level. The Bank is now offering gold loans from over 600 branches (approximately 30% of total branch network of bank).

Crop Loan

Crop Loan NPA recovery and portfolio quality have improved in comparison with the last year due to better resolution and collection focus.

WHOLESALE BANKING

The Bank's Wholesale Business has a number of units catering to various customer and industry segments, including major Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, financial sponsors including private equity funds, portfolio investors, new age companies, small and medium enterprises and realty businesses, offering a wide range of banking services covering their working capital, medium-term finance, project finance, trade and supply chain finance, foreign exchange services, other transaction banking requirements, custody services, debt capital markets, structured financing solutions and treasury services. The focus has been on customised solutions delivered through efficient technology platforms backed by high quality service. The Bank's core focus has been to acquire quality customers on a consistent basis and ensure value add through cross-selling of varied products and services.

Industry

The year FY 2023-24 witnessed green shoots in private capex in some sectors though overall capex growth in the economy was still primarily driven by infrastructure spend. After a few years of muted banking credit growth to the industry vertical, the year saw a return of credit demand in this space. Credit offtake was higher in the SME and Mid-Market space than the larger corporates. As in the past few years, banking credit offtake by the services space including bank lending to Non-Banking Financial Companies (NBFCs), Real Estate, Wholesale Trade and other services grew at a much faster rate.

While, on the one hand, the Wholesale Banking sector witnessed strong growth in assets during the year, tight liquidity conditions, on the other hand, muted liability growth. Consequently, cost of deposits rose impacting net interest margins for banks. Focus on garnering greater flows of customers, supplementing asset incomes through cross-selling of other transaction banking products and non-risk income streams became all the more critical to generate healthy returns.

Wholesale Bank Continued on its Growth Path

The Bank continued the positive momentum from the previous year by maintaining a focus on acquiring new customers in a profitable manner. The addition of New-to-Bank customers across assets and liabilities continued to be healthy across segments in FY 2023-24. In addition to focussing on new clients, the business segments also continued their efforts to increase wallet share with existing clients with an aim to improve the overall quality of income. This has further strengthened the foundations of the Bank to offer comprehensive solutions to corporate banking customers.

Asset growth for the Bank, during the year, was broad based across customer sectors and business segments. The Bank witnessed healthy asset growth in the conglomerates, large corporates, multinational and financial institutions space.

SME and Mid-Market Focus

The Bank is cognizant of concentration risks and is focused on growing its granular book at a higher rate. The SME business has seen a significant ramp-up through a focused acquisition strategy and several initiatives taken for improving turn-around times coupled with investment in people, process, technology and product offerings. These efforts have resulted in growth across key metrices in the SME business including Assets, Fees and Income. The book remains pristine, which is a result of strong risk monitoring and proactive measures being taken to maintain portfolio hygiene. During the year, the Bank also created a separate focused Mid-Market vertical to better capture opportunities in this space. The business saw good momentum with twice the number of clients being onboarded this year as compared to the previous year. The book is of high quality with majority of the book comprising Working Capital and flows based lending.

Infrastructure Lending

The infrastructure sector in the country is witnessing multi-fold increase in investments. Sponsors are now of high quality, which has significantly improved governance hygiene in the sector. The legal framework has been strengthened, which has improved enforceability of contracts which, in turn, has increased ability of banks to lend to this sector. Access to funding including through capital markets has improved through structures such as InvITs. The Bank has historically adopted a cautious approach to this sector, but with these changes is now more confident in financing projects in this space. The year saw significant growth in the Bank's long-term funding to infrastructure projects while maintaining a risk adjusted view on return. Nearly 90% of the infrastructure book comprises high-rated borrowers rated AA- and above and is diversified across corporates, private equity funds, InvITs which have a well-established track record and high creditworthiness. The Bank strives to provide holistic solutions to clients at each stage of the project lifecycle including at under-construction stage by providing products suiting customer needs such as capex LCs and buyers credit which are refinanced through long-term project financing and post completion of the projects, refinancing of the project loans by issuance of NCDs from capital market players. In addition, the Bank also provides bridge financing under extant RBI guidelines. The Bank's ability to structure, underwrite and syndicate has helped it to provide complete solutions on larger financing requirements of these projects. The Bank is also focusing on providing cash management and escrow solutions to these projects, thereby improving non-risk incomes. A large part of the long-term infrastructure book has been financed through infrastructure bonds which provides ALM comfort.

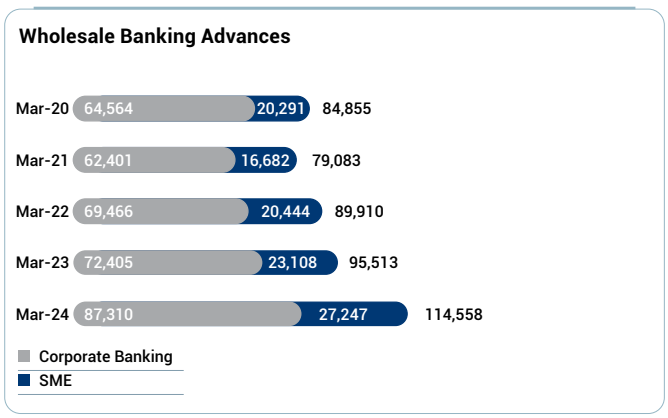
Real Estate Lending

Growth in the real estate book has been muted during the year due to large repayments driven by robust sales by developers across residential projects. The Bank remains bullish on this sector and is actively trying to increase business with marquee developers across both commercial and residential sectors.

Financial Institutions

The Bank is selectively growing exposure to the Financial Institution space. The credit cycle is currently benign and the Bank has calibrated its exposures in a meaningful manner which are ROE accretive.

Trend of wholesale banking advances in the last five years is as below:



Syndication & Debt Capital Markets

In addition to direct lending to its clients, the Bank arranged for debt for its clients from the capital as well as loan markets. The Bank was able to close a diverse range of marquee transactions, including large Infra transactions in the Renewable and Road sectors, Real Estate sector loans and bond deals, credit bond in the fertilizer sector, the first retail mall REIT funding, structured funding in thermal power sector, promoter financing for private equity exit, securitization and others. The Bank also assisted a number of its large corporate customers to access the bond markets and raise NCDs at competitive pricing.

Focus on Transaction Banking & Non-Asset Income Streams

The Bank continues to focus on income from other non-credit income streams including from Forex, Cash Management and other Transaction Banking products. The Bank is especially focused on increasing penetration in Trade assets. The Bank has invested in bolstering its Trade product and sales expertise, introducing newer products, providing structured solutions to customers' trade requirements and in digitizing the Trade journey. The Bank expects these initiatives to result in greater share of customer flows and consequently higher liability and fee incomes going forward. This year, the proportion of non-risk income stream increased resulting in higher profitability and improved Return on Equity.

The Bank offers a comprehensive product portfolio including a diverse range of financial products under Cash Management Services and Trade. In the payments technology stack, enhanced focus is on UPI stability along with strategic initiatives including Merchant Management system. A new payments platform has been introduced enhancing customer User Interface/User Experience and increasing transaction processing speed significantly. The Bank has witnessed four times growth in tax payments from the platform. It is focused on ensuring operational resilience and offering structured solutions to meet client specific requirements. In the Collections stack, the Bank has enhanced its NACH tech stack on scalability, resiliency and faster settlements. Along with this, customer experience has also been enhanced by building and scaling the product portfolio. In the Acquiring business, the Bank is helping merchants accept transactions from foreign card holders. The aim is to grow this offering further in the coming year. The Bank has also seen a significant increase in market share in the capital market and IPO transactions with specialized processing teams and enhanced focus on regulatory compliance.

Over the years, the Bank has also built a significant credit substitute book, driven by customer preferences and strengthening capital markets. This year, the Bank witnessed a Mark-to-Market profit in this book given the movement of interest rates.

The Bank follows an integrated Corporate and Investment Banking approach for coverage of large conglomerates and corporate groups. Over the years, this strategy has helped strengthen the Bank's position with clients and increase the wallet share. The Bank witnessed good growth in its non-credit business streams with these clients with improved customer service and solutioning.

The increase in the cost of funds has got the focus back on liabilities and liquidity management. The focus on increasing the liability side of our business, mainly core current account, term deposits and other non-risk income streams continued in line with the overall intention to improve the quality of income from our clients.

Custodial Services

The Custody and Clearing business continued on a growth trajectory on the back of a robust domestic growth and returning confidence in the Foreign Portfolio Investors. This year, the Bank took multiple new initiatives to maintain and keep its leadership position including launching commodity clearing for FPIs in the BSE derivative segment. The Domestic Custody business continued to grow at a fast pace during the year and the Bank on-boarded a number of marquee Portfolio Management Services and Alternative Investment Fund names in addition to a few large family office clients. With vibrancy in Indian Stock Markets, the business is well positioned to continue on its growth path in the coming year.

Internal Credit Rating

Over the years, the Bank has ensured that growth has been achieved in a profitable manner without compromising the health of the book. Its portfolio is well-diversified and industry, group and company specific exposure limits are reviewed periodically. The entire portfolio is rated by internal credit rating tools, which facilitates appropriate credit selection and monitoring. Exposure, over the years, has been confined to segments with credit comfort in terms of better rated exposure, industries with a positive outlook and where pricing has been adequate for the risk being underwritten. These practices helped ensure that the overall portfolio continued to show robust characteristics throughout the year and the Wholesale Bank this year again witnessed low credit cost, delivering continued improvement in the risk-reward ratio. Pricing models such as Risk Adjusted Return on Capital (RaRoC) measurements are now embedded in the system. Due to these initiatives, the focus is high on ensuring the right risk-return balance and on maximising non-credit income streams. The Bank's focus on Risk management has helped the business to optimise its Risk Weighted assets as a percentage of assets in the past few years.

Global Arrangements

The Bank has a co-operation agreement with ING Bank globally covering a number of countries, which also helps the Bank in targeting a greater number of multinational corporates in India. Dedicated marketing efforts have helped the Bank to make significant inroads into identified corridors such as Germany, Switzerland, Austria, Italy, France, Nordic region, Taiwan and Korea. Replicating this model, the Bank has now formed a dedicated desk to cater to MNCs entering India, offering end-to-end solutions by partnering with various agencies to co-create a sustainable ecosystem.

Technology Investments & Efficiency Improvements

The Bank continued its journey in investing in and ramping up Kotak fyn, its unified portal exclusively for corporate and business banking customers. Kotak fyn offers the entire product suite across Trade, Payments, Collections and Account Services. The Bank has seen a 4 times growth, this year in onboarded base and 3 times growth in activated base. The Bank has further strengthened the existing fyn proposition with the enablement of tax payments, fund transfers, bulk trade transactions, H2H connectivity with customer ERPs and EDPMS/IDPMS regularization modules resulting in 60% increase in transactions via fyn. In order to provide an omni-channel experience to its customers, the Bank also launched the revamped Kotak fyn mobile app. The app enables customers to approve transactions on the go and raise multiple service requests thereby easing the life of the corporate users.

In addition to fyn, the Bank has also invested significantly in improving the resiliency of its technology systems and further digitizing customer journeys and workflows. Electronic bank guarantees and digital offerings for supply chain finance are some examples which are seeing good adoption. As a result of this customer-focused approach and investments in technology, the Wholesale Banking team has already seen significant improvements in key product usage metrics in the fiscal year. The Bank's vision is to go beyond normal and create unique experiences by offering best-in-class product suite to its clients.

The Bank has also undertaken key projects with a high focus on digitizing and reinventing the operating model to address customer pain points. The Bank identified a need to reduce Turn-Around-Time and simplify processes and documentation and this resulted in the launch of Project DRONA (Digitize and Re-invent Operating Model and Support Architecture). Project DRONA has helped identify process gaps, duplication of activities, multiple handoffs and rigidity of documentation. A key outcome of DRONA was a reduction in steps by about a third in a customer onboarding journey. Through DRONA, the Bank has been able to reduce handoffs significantly, thereby achieving improved productivity. The Bank will continue to strive towards making it even better and simpler and achieving best in class industry standards.

Furthermore, the Bank has made investments in its CRM to manage all prospect and customer relationship data in a central location, enabling the tracking and analysis of customer journeys in real-time. This has led to the automation of repeatable tasks and process improvements, thereby creating customer delight. Digitization of processes, business process automation, and workflow-based processing has helped in the delivery of services within the assured service levels. There has been improvement in various business metrics that play a pivotal role in enhancing customer experience.

In summary, a good growth in Assets, focus on fee incomes, favourable risk-return metrics through the year, strong liability incomes and controlled credit costs have helped the Wholesale Bank preserve its profitability and maintain a healthy After Tax Return on Equity (ATROE) despite the challenges faced during the year.

PRIVATE BANKING

The Bank's private banking arm caters to a number of distinguished Indian families and is one of the oldest and the most respected Indian private banking firms, managing the wealth of 58% of India's Top 100 Families (Derived from Forbes India Rich List 2023), with clients ranging from entrepreneurs to business families and professionals.

It provides an open architecture proposition to its clients, offering a plethora of private banking products. This business has a strong distribution capability for private clients through distribution/referral model across equities, fixed income and alternates, catering to Ultra HNI and HNI (High Networth Individual) investors. In addition to comprehensive financial solutions that go beyond investments, the division provides banking and credit, consolidated reporting, referral for estate planning services, family office services and other various products and services to its Private Banking clients. With an in-depth understanding of client requirements and expertise across various asset classes, this business offers the widest range of financial solutions.

The private banking arm has added approximately 2,280 new families in FY 2023-24.

- Further strengthened its propositions for the Global Indian
- Continued to leverage analytics to not only offer the right product mix for clients, but to also connect with them timely to address their needs
- Focused on technological initiatives both at the client level and at the internal team level with the aim of enhancing productivity and customer experience, coupled with improving cost efficiencies and reducing TAT
- Continued to build the new brand theme of 'Live Your Purpose' through unique client engagements throughout the year

Private Banking has been consistently featured as the Best Private Bank, India across multiple Global and Domestic platforms. Some of the recent accolades include:

- India's Best for Philanthropic Advisory, Euromoney Global Private Banking Awards, 2024
- Best Private Bank in India, PWM The Banker, Global Private Banking Awards, 2023
- Best Private Bank in India - Highly commended, The Asset Triple A Private Capital Awards, 2023

GIFT CITY

The GIFT City branch commenced operations in FY 2016-17. The GIFT Branch caters to various banking needs for overseas, IFSC and domestic customers – including term and trade loans, deposits, and managing their currency and interest rate risks. Additionally, the branch also caters to requirements of the Exchanges and its members at GIFT IFSC acting as a clearing banker.

The branch is regulated by International Financial Services Centres Authority (IFSCA) – a unified regulator at GIFT IFSC, which provides regulatory oversight and fosters ease of doing business at IFSC.

The Branch operates with defined governance, administrative and functional framework. Branch has carefully curated a portfolio spread from short-and long-term trade loans, working capital and long-term client loans, investments in bonds, deposits and borrowings, leading to continued growth in profitability, while maintaining high standards of controls and governance. Additionally, the Branch is actively improving upon its technology platforms to enhance client experience including net banking and digital journey. The Branch is also actively working on extending its product bouquet and client reach.

DIFC BRANCH

The Bank's branch at Dubai International Financial Centre ("DIFC"), Dubai, United Arab Emirates, started operations in October 2019. The DIFC Branch is authorized by the Dubai Financial Services Authority (DFSA) as a Category 1 licensed entity, enabling it to accept deposits from eligible clients and provide loans to professional clients (individuals and corporates who qualify as per DFSA rules). The DIFC Branch complements the Bank with its ability to advise and arrange global investment products to its clients through its reach and relationships with various manufacturers of investment and wealth products.

TREASURY

FY 2023-24 began with the US Federal Reserve continuing its rate hiking cycle with two more hikes of 25 bps each in the April and July FOMC meetings. US interest rates, which had gone down sharply in the aftermath of the SVB crisis, recovered as conditions normalized and scaled new highs. With the FOMC subsequently indicating a long pause to observe the impact of the rate hikes, the markets started pricing in rate cuts with the yield curves inverting sharply. However, as inflation proved sticky and with the FOMC signalling that the rates will remain high for long, market reversed its earlier moves with the yields moving higher again, close to the peak levels seen earlier in the year.

The Reserve Bank of India ("RBI") however held the policy rate flat throughout the year as it waited for the impact of the earlier rate hikes on inflation. The central bank focussed on managing the liquidity tightly and ensured that the overnight rates did not deviate from the policy corridor. The benchmark 10 yr GOI bond yields moved in sync with the global markets tracking US yields closely. However, with Indian Government Bonds getting included in the JP Morgan and subsequently Bloomberg bond indices, the yield was well supported on the higher side and traded in the broad range of 7.00% to 7.25% in the latter part of the year.

Global currency markets were volatile within a range while broadly tracking interest rate differentials. The USD, which had started weakening following the highs of the previous year strengthened marginally in line with the views on US interest rates. The USD index itself was in the broad range of 99.50-107.50 for most part of the year. The Japanese Yen continued to depreciate, touching a level of 150 as against 130 seen in the beginning of the year. The Indian Rupee was volatile in the first half of the year and depreciated to levels of 83 and higher from 82 levels seen in the beginning of the year. However, in the second half, the exchange rate was tightly controlled by the RBI and it remained in a tight 83.00 to 83.50 range.

Market levels in FY 2023-24

	Open	High	Low	Close	Net change
10y India GILT yield	7.33	7.40	6.94	7.06	(3.4%)
10y US GILT yield	3.46	5.02	3.46	4.20	21.0%
USD/INR	82.08	83.57	81.61	83.41	1.3%
US Dollar Index	102.63	107.35	99.58	105.02	2.4%
EUR/USD	1.0848	1.1276	1.0448	1.0790	(0.5%)
Nifty	17,428	22,778	17,313	22,327	28.6%
Gold (USD per Troy ounce)	1,964	2,230	1,811	2,230	13.3%

Source: Bloomberg

Against this backdrop, the trading desks (FX and Derivatives desk, Equities desk and Fixed Income desks) fine-tuned their trading strategies, focussing on spread-based strategies and short-term churn while eschewing risk, in the absence of any clear direction on global interest rate outlook.

The Treasury Primary Dealer (PD) desk was able to achieve its regulatory targets of retail distribution, trading volumes and auction bidding for Government securities and T-Bills successfully.

The Treasury client coverage teams continue to focus on servicing its FX customers for conversion as well as for hedging their exposures. Foreign exchange flows from customers grew as compared to the previous year on increased trade as well as capital flows. However, as forward premiums shrunk to record low levels and with a benign view on the Indian Rupee, customers reduced their hedging activity to minimum levels. The Upgrade of its technology-based solutions to provide customers an enhanced experience in the Bank's online rate taking platform, improving pricing efficiency and optimisation of existing processes continued to be focus areas.

The Bullion desk continued building the annuity book of Gold Loans – providing stability and sustained profitability.

System liquidity fluctuated between surplus and deficit – however the levels of surplus or deficit and the consequent overnight rates were tightly managed by the RBI on a daily basis. The Balance Sheet Management Unit (BMU) managed the liquidity requirements of the Bank optimally and efficiently, ensuring adequate liquidity and ALM to support the needs for credit and investment. Liquidity ratios remained above prudential internal thresholds.

The BMU maintained heightened vigil while managing Liquidity and Interest Rate Risks and regulatory investments of the Bank.

The Technology team within the treasury contributed by not only maintaining treasury applications through the year, focussing on resilience and stability, but also continuing to upgrade the existing platforms as well building capabilities for newer products.

The Bank's Asset Liability Committee (ALCO), which also functions as the Investment Committee, maintained a cautious and vigilant approach with a conservative risk appetite in its oversight of Market Risk, Interest Rate and Liquidity Gaps, counterparty and country exposures.

ASSET RECONSTRUCTION

The Bank's Asset Reconstruction Division (ARD) looks at opportunities and takes exposure in distressed/Non-Performing Assets ("NPA") accounts through Security Receipts ("SR") investments, Stressed/NPA portfolio buyout from other banks, priority funding and working capital assistance with an aim to resolve and turn them around. The Bank has been active in the distressed asset buyouts and investments space, for almost two decades.

The Resolution Process has gained momentum and functioning of various judicial forums like Debt Recovery Tribunals (DRTs), Debt Recovery Appellate Tribunals (DRATs), High Courts and National Company Law Tribunal (NCLT) proceedings under the Insolvency and Bankruptcy Code (IBC) has improved. The Bank adopts various measures thoughtfully (with compassion) and diligently to resolve the stressed and bad accounts.

The Bank did sizable investment, both in corporate and retail stressed assets space in FY 2023-24, and expects a lot of opportunities in the acquisition side, especially in retail stressed loans segment in the coming years.

SUBSIDIARIES HIGHLIGHTS

KOTAK MAHINDRA PRIME LIMITED

Kotak Mahindra Prime Limited ("KMPL") is primarily engaged in car financing, including financing of retail customers of passenger cars, multi-utility vehicles (MUVs) and financing to car dealers. KMPL finances new and used cars under retail loan and lease contracts. KMPL is also engaged in two-wheeler finance, loan against property and other lending.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Net Interest Income	1,870.39	1,646.27
Other Income	499.95	360.70
Total Income	**2,370.34**	**2,006.97**
Operating Expenses	999.75	885.73
Provisions (Net)	182.23	11.18
PBT	**1,188.36**	**1,110.06**
PAT	**888.06**	**828.96**

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Net Customer Assets	34,480.87	28,792.68
Car, Two Wheeler and Car Dealers	29,846.56	23,178.36
LAP	3,822.60	1,651.05
CRE, Corporate and Others	811.72	3,963.27
RoAA %	2.53%	2.77%
Capital Adequacy Ratio %	25.17%	28.39%
Tier I %	24.62%	27.72%
Covid provision held	0.78	2.08

The passenger car market in India grew 8.47% in FY 2023-24 compared to 26.73% growth in FY 2022-23. Sales volume of cars and MUVs crossed 42.07 lakh units in FY 2023-24 compared to 38.79 lakh units in FY 202223. KMPL disbursed 1,54,932 loans in FY 2023-24 compared to 1,34,862 loans in FY 2022-23 in car financing.

PBT for FY 2023-24 is ₹ 1,188.37 crore, which is higher than the PBT for FY 2022-23 of ₹1,110.10 crore. Steady state businesses have contributed to higher Net Interest Income and Other Income during FY 2023-24. The same is offset by lower NII on account of run down of acquired portfolio and CRE/Corporate loan book in FY 2023-24. Higher operating cost and credit cost have also offset growth in NII for the year. Provisions (net) for FY 2022-23 were lower due to higher recoveries in NPA accounts. NIM for FY 2023-24 was 5.60% compared to 5.82% for FY 2022-23.

Gross NPA was ₹ 673.19 crore (1.95% of gross advances), while net NPA was ₹ 279.03 crore (0.82% of net advances) as on 31st March, 2024.

KOTAK MAHINDRA INVESTMENTS LIMITED

Kotak Mahindra Investments Limited ("KMIL") is primarily engaged in real estate developer finance, corporate loans and other activities such as holding long-term strategic investments.

Real Estate: KMIL's Real Estate finance team offers real estate finance platforms in the country with expertise across all key asset classes. From structuring complex transactions to broadening the access to capital, its comprehensive financing solutions have made it a leading choice for real estate developers. Given the depth of its coverage, KMIL is able to capture the growth opportunities offered by the all-round growth in the market (especially residential) across major cities. KMIL has been able to balance growth aspirations without compromising on its credit standards. The asset quality has remained robust through FY 2023-24. KMIL continues to be judicious about the borrowers that it works with.

Corporate Lending: KMIL is focusing on increasing its Corporate Lending book. The book is diversified across sectors, including manufacturing, services, education and NBFCs (including investing in PTCs). All-round improvement seen across industries offers significant opportunities for growing wholesale book as companies look to refinance their debt and expand. KMIL is well-positioned to harness opportunities that are available in the current economic environment.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Net Interest Income	608.36	443.92
Other Income	158.68	80.34
Total Income	**767.04**	**524.26**
Operating Expenses	82.06	74.97
Provisions (Net)	(5.53)	9.97
PBT	**690.51**	**439.32**
PAT	**514.21**	**326.26**

(₹ in crore)

Particulars	31st March, 2024	31st March, 2023
Net Customer Assets	12,449.83	9,689.25
RoAA %	3.87%	3.26%
Capital Adequacy Ratio %	27.41%	28.65%
Tier I %	26.46%	27.15%

PBT for FY 2023-24 at ₹ 690.51 crore was higher than ₹ 439.32 crore for FY 2022-23, primarily due to increase in NII, recovery of NPA and reversal of mark to market losses.

Customer assets increased to ₹ 12,449.83 crore as on 31st March, 2024 as compared to ₹ 9,689.25 crore as on 31st March, 2023. PAT increased by 57.6% to ₹ 514.21 crore for FY 2023-24 from ₹ 326.26 crore in FY 2022-23. NIM for FY 2023-24 was 5.05%.

Gross NPA and Net NPA as on 31st March, 2024 was ₹ 27.07 crore (0.24% of Advances) and ₹ 9.28 crore (0.08% of Advances), respectively.

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

Kotak Infrastructure Debt Fund Limited ("KIDFL") is an Infrastructure Debt Fund, set up under the NBFC route. It is engaged in providing finance for infrastructure projects, with more than one year of satisfactory operational history.

During the year, KIDFL forged strong relationships with multiple infrastructure clients. It continues to be judicious about credit underwriting and selection of customers.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Net Interest Income	38.05	16.27
Other Income	16.34	19.70
Total Income	**54.39**	**35.97**
PBT / PAT	**43.40**	**27.83**

Customer Assets increased by 33% to ₹ 1,305.78 crore as on 31st March, 2024 compared to ₹ 980.61 crore as on 31st March, 2023 mainly due to higher disbursement.

KOTAK SECURITIES LIMITED

Kotak Securities Limited ("KSL") is one of the largest brokerage and distribution houses in India. KSL provides securities broking services in equity cash and derivative segment, commodity, debt and currency derivatives segment, depository and primary market distribution services. KSL is a trading member of BSE Limited, National Stock Exchange of India Limited, National Commodity and Derivatives Exchange Limited, Multi Commodity Exchange Limited and Metropolitan Stock Exchange of India Limited* and clearing member of clearing corporations NSE Clearing Limited and Indian Clearing Corporation Limited. KSL is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and repository participant with CDSL Commodity Repository Limited and National E-Repository Limited.

KSL is also registered as a portfolio manager and a research analyst with Securities and Exchange Board of India. Further, KSL is registered as Mutual Fund Distributor with Association of Mutual Funds in India. KSL is having a composite license issued by the IRDAI and also acts as Corporate Agent of Kotak Mahindra Life Insurance Company Limited and Kotak Mahindra General Insurance Company Limited.

*applied for surrender

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	3,981.57	2,985.67
Total Expenses	2,346.39	1,835.48
PBT	**1,635.18**	**1,150.19**
PAT	**1,226.17**	**865.22**

PAT for FY 2023-24 at ₹ 1,226.17 crore is higher than ₹ 865.22 crore for FY 2022-23, primarily due to higher brokerage income pursuant to higher market volumes in the cash segment.

FY 2023-24 witnessed market volume growth in equity cash segment with average daily volumes (excluding proprietary segment) increasing to ₹ 56,866 crore in FY 2023-24 from ₹ 40,640 crore in the previous financial year and steady volume in equity derivative segment compared to previous financial year. Consequently, KSL volumes also increased for equity cash. Further, KSL volumes for equity derivative segment witnessed strong growth, enabling the firm to gain market share.

Kotak Securities market share (excluding proprietary segment) for FY 2023-24 was:

- 12.63% compared to 9.23% in FY 2022-23 for equity derivatives segment*
- 10.24% compared to 10.55% in FY 2022-23 for cash segment

** Based on notional turnover for equity futures and premium turnover for equity options segment*

KSL digital only - Trade Free Plans collectively accounted for 50% of overall KSL acquisition in FY 2023-24. Due to the continued thrust on digital, the Kotak Neo mobile trading application of KSL registered a massive adoption, resulting in 55%^ growth in the trading volume through the Kotak Securities Mobile apps.

^Based on notional turnover for futures of all segments, and premium turnover for options of all segments

Multiple initiatives were adopted to improve KSL value proposition. Key initiatives are mentioned below:

- Launched Neo Mutual Fund platform with simplified user journeys, offering greater accessibility and convenience to our valued clients.
- Launched InstaTrade, a comprehensive trading solution designed for efficiency and convenience by providing access to Charts, Option Chain, Positions, Orders, and P&L seamlessly on a single screen.
- Launched Trade free Pro Plan, offering one of the best pricing plan in the industry for Margin Trading Facility and equity delivery brokerage.
- Rolled out enhanced IPO module, featuring streamlined order processing and expedited handling of IPO applications for a smoother experience.
- Launched Sipit, a long-term investment product that enables SIPs in individual stocks and ETFs. Using Sipit, customers can systematically invest a pre-specified amount / quantity of shares over a predefined frequency. The product simplifies stock and ETF discovery for the user by leveraging research recommended stocks, smart screeners and utility tools like SIP calculator and portfolio analyser. Within 8 months of launch, we have already processed over one lakh SIPs through this feature.
- Introduced BSE derivatives trading, fulfilling a significant demand from our client base to enable trading in Sensex and Bankex futures and options.
- Launched Kotak Connect Plus, digital interface designed for financial distributors to streamline distribution of investment products, enabled with seamless web and app-based front end and powerful admin module for the distributor.
- As part of Startup Investments division, KSL invested in Data Sutram, AI-based B2B SaaS company providing alternate intelligence on any Indian consumer and MSME.
- Implemented Salesforce to enhance customer servicing, aiming to smoothen resolution of service requests.
- Launched Trade with Charts, a web-based platform offering traders comprehensive access to trading resources in a single location.
- Became Financial Information User (FIU) under Account Aggregator with plans to leverage it for segment activation, simplification of account opening and Analytics
- Launched "Bro Zero" brand campaign – a DVC targeted to the youth, using millennial lingo and relatable situations to create awareness about the Trade Free Youth plan, which was launched in FY 2022-23. The campaign had a reach of more than 39 crores, and increased the top of mind recall and awareness scores by 75% and 6%, respectively.

- Implemented real-time alerts for stocks and derivatives, utilizing 27 parameters, including Last Traded Price (LTP), Volume, and Greeks, enhancing monitoring capabilities and decision-making processes.
- KSL implemented a social media plan with a novel content strategy that highlights the advantages of its offerings and informs, engages, and promotes its key brand propositions to the people who connect with KSL via social media. KSL growth in its key platforms has been as follows:
    - Instagram followers grew by 26.74% from 46.0k to 58.3k
    - YouTube subscribers increased by 33.04% from 125.8k to 167.4k
    - LinkedIn followers grew by 16.84% from 146.7k to 171.5k

As on 31st March, 2024, KSL had a national footprint of 1,196 branches and franchisees across 322 cities in India serving its customers.

Awards and Recognitions

- Customer Engagement Campaign of the Year (By ASSOCHAM)
- Best Use of Data Analytics in Marketing (By ASSOCHAM)
- 4th Annual BFSI Excellence Awards 2023 - Sandeep Chordia Top 20 CDO of the year (By Quantic India)
- Pitch BFSI Marketing Awards 2023 - Most Effective Launch / Relaunch campaign (By Exchange4Media)
- Pitch BFSI Marketing Awards 2023 - Most Effective Marketing Campaign - Online Trading Platform (By Exchange4Media)
- Pitch BFSI Marketing Awards 2023 - Most Effective Performance Marketing Campaign (By Exchange4Media)

In FY 2023-24, the Institutional Equities division of KSL, registered stellar growth in revenues and maintained its leadership position in both the cash equities and derivatives segments. During FY 2023-24, overall market volumes in the institutional segment increased by 47% YoY for the cash segment and by 30% YoY for the derivatives segment, which contributed to the strong growth in the division's volumes and revenues. Kotak Institutional Equities was able to maintain its yields across client segments despite strong competition and continued to add new clients to its franchise. It also showed very strong performance in distribution of IPOs, QIPs, open offers and execution of block trades and maintained its leadership position.

The Institutional Equities research team continued to add new sectors and companies to its list of coverage. The division continues to upgrade its IT infrastructure by investing in latest technology across segments to improve operational efficiency and maintain its overall leadership position in the institutional segment.

KOTAK MAHINDRA CAPITAL COMPANY LIMITED

Kotak Mahindra Capital Company Limited ("KMCC") is a leading, full-service investment bank in India offering integrated solutions encompassing high-quality financial advisory services and financing solutions. The services include Equity Capital Market issuances, M&A Advisory and Private Equity Advisory.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	431.68	323.93
Total Expenses	154.99	131.45
PBT	**276.69**	**192.48**
PAT	**215.01**	**149.28**

Equity Capital Markets

In FY 2023-24, Indian Equity Capital Markets witnessed a strong rebound in IPO activity as compared to FY 2022-23, while momentum in sell-down activity continued. FY 2023-24 also saw a revival of follow-on primary raises via QIPs and Rights Issues. Both Foreign and Domestic institutional investors supported the markets in strength with an inflow of USD 25.3 billion each from both categories during FY 2023-24. A total of ₹ 299,040 crore (versus ₹ 140,856 crore in FY 2022-23, up 112% YoY) was raised in FY 2023-24 across deals other than blocks i.e. Initial Public Offerings (IPOs), Qualified Institutional Placements (QIPs), Further Public Offering (FPO), Rights Issues and Offers for Sale (OFS). All sectors saw capital market deals being executed on the back of strong investor response.

KMCC was ranked No. 1 in Equity Capital Markets (Source: Bloomberg) in FY 2023-24 and continued to be the Left Lead Banker of Choice having led marquee transactions such as Mankind Pharma, Concord Biotech, Honasa Consumer and Cello World in a Left Lead role.

Top Equity Deals that were concluded by KMCC during the year included:

IPO: Mankind Pharma: ₹ 4,326 crore, Nexus Select Trust: ₹ 3,200 crore, JSW Infrastructure: ₹ 2,800 crore, Sustainable Energy Infra Trust: ₹ 2,263 crore, Cello World: ₹ 1,900 crore, Honasa Consumer: ₹ 1,701 crore, Concord Biotech: ₹ 1,551 crore, Samhi Hotels: ₹ 1,370 crore, India Shelter Finance: ₹ 1,200 crore, SBFC Finance: ₹ 1,025 crore, Blue Jet Healthcare: ₹ 840 crore, Signature Global: ₹ 730 crore, Utkarsh Small Finance Bank: ₹ 500 crore.

OFS: Coal India: ₹ 4,179 crore, Vedant Fashions: ₹ 2,883 crore.

QIP: Cholamandalam Investment and Finance Co. : ₹ 4,000 crore, Macrotech Developers: ₹ 3,282 crore, Federal Bank: ₹ 3,040 crore, Brookfield India Real Estate Trust: ₹ 2,305 crore, Chalet Hotels: ₹ 1,000 crore.

Rights: Grasim Industries: ₹ 4,000 crore.

Mergers and Acquisitions and Private Equity Advisory

The total M&A Advisory deal value in India for FY 2023-24 decreased to USD 80 billion from USD 183 billion in FY 2022-23, while deal volumes decreased to 2,766 in FY 2023-24 from 3,067 in FY 2022-23. The average deal size for FY 2023-24 decreased to USD 46 million from USD 62 million in FY 2022-23. (Source: Bloomberg, as on 8th May, 2024)

KMCC advised on a diverse array of ten M&A transactions across a range of products and sectors, for a total deal value of USD 4.0 billion (not considering deals where values have not been disclosed):

- Across products, ranging from Acquisitions, Divestments, Mergers, Restructurings, Private Equity investments;
- Across sectors, ranging from Healthcare, Financial Services, Consumer, Real Estate, Digital, Specialty Chemical, etc.

Advisory deal values in FY 2023-24 showed degrowth of approximately 56% vis-à-vis the previous year considering the rising interest rate environment and buoyant capital markets. In FY 2023-24, financial sponsors accounted for around 30% of the transactions by value vis-à-vis 29% in FY 2022-23 and continued to constitute a significant part of India's M&A activity.

The deal activity during FY 2023-24 was largely contributed by domestic majority, inbound minority and majority investments, corporate restructurings. Consolidation by market leaders, acquisition by global strategic players and financial sponsors were major drivers for M&A transactions in FY 2023-24 and the trend is expected to continue in FY 2024-25. Other factors such as building adjacencies by acquisition of new business, business consolidation and exits by financial sponsors are also expected to drive the M&A activity in FY 2024-25

Some of the key advisory deals that were announced by KMCC during the financial year included:

- Sell-side advisor for sale of controlling stake in Kotak Mahindra General Insurance to Zurich Insurance Group
- Sell-side advisor for sale of 75% stake in Glenmark Lifesciences to Nirma
- Sell-side advisor for sale of controlling stake in NivaBupa Health Insurance by Truenorth to joint venture partner Bupa
- Sell-side advisor for primary fundraise by NivaBupa from Temasek, Paragon Partners and Motilal Oswal PE
- Sell-side advisor for sale of 30% stake in Signet Excipients to IMCD Group
- Sell-side advisor to Renew Buy for its Series-D fundraise from Dai-ichi Life Holdings
- Buy-side advisor to Tata Consumer Products for acquisition of Capital Foods
- Buy-side advisor to Tata Consumer Products for acquisition of Organic India
- Financial advisor to ITC for demerger of its hotels business into ITC Hotels
- Financial Advisor for merger of Cohance Lifesciences with Suven Pharmaceuticals

KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED

Kotak Mahindra Life Insurance Company Limited ("KLI"), a 100% subsidiary of Kotak Bank, is in the business of Life Insurance, annuity and providing employee benefit products to its individual and group clientele. KLI has developed a multi-channel distribution network to cater to its customers and markets through agency, bancassurance and other alternate, group and online channels on a pan-India basis.

Network

KLI had 292 life insurance outlets across 147 locations. KLI has 119,016 life advisors, 25 Bancassurance partners and 236 brokers and corporate agency tie-ups.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Gross Premium Income	17,708.38	15,320.46
First Year Premium (Incl. Group and Single)	8,656.85	7,668.67
PBT – Shareholders' Account	**1,041.24**	**1,462.72**
PAT – Shareholders' Account	**688.62**	**1,053.31**
Solvency Ratio (as on 31st March)	2.56	2.83

The Indian Embedded Value (IEV) was ₹ 15,242 crore (31st March, 2023: ₹ 12,511 crore) as on 31st March, 2024, grew by 21.8% YoY. This is computed based on the principles prescribed by APS10. The methodology, assumptions and results have been reviewed by Willis Towers Watson Actuarial Advisory LLP.

The Value of New Business (VNB) for FY 2024 stood at ₹ 1,053 crore (FY23 - ₹ 1,373 crore) and the VNB margin was 28.5%.

The Net worth of KLI increased by 10.05% to ₹ 5,863.23 crore as on 31st March, 2024 from ₹ 5,327.70 crores as on 31st March, 2023.

PBT (Shareholders') of the Company for FY 2023-24 stood at ₹ 1,041.24 crore against ₹ 1,462.72 crores in FY 2022-23. Profit was impacted by higher distribution cost and new business strain on non-par products.

KLI has announced a bonus of ₹ 1,007 crores for more than 7 lakh eligible policyholders for FY2023-24. This is the 23rd consecutive year that Kotak Life has declared a bonus on participating products.

An insurance company is considered to be solvent if its assets are adequate and liquid to pay off claims/liabilities as and when they arise. Solvency ratio indicates the Company's claim / liability paying ability. KLI has solvency ratio of 2.56 against a regulatory requirement of 1.50.

KLI saw an increase in its AUM (including shareholders') by 24.67% YoY to ₹ 80,143.15 crore in FY 2023-24.

KLI has been assigned CRISIL Corporate Credit rating of CRISIL AAA/Stable (Pronounced as CRISIL triple A rating with Stable outlook)

Revenue Performance

KLI has recorded a growth of 15.59% on the gross written premium, mainly coming from Individual single premium, renewal premium and Group premium. The summary of premiums is, as under:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Individual Regular	2,663.06	2,592.72
Individual Single	1,597.10	1,359.23
Group Premium	4,396.69	3,716.72
Total New Business Premium	**8,656.85**	**7,668.67**
Renewal	9,051.53	7,651.79
Gross Premium	**17,708.38**	**15,320.46**

Distribution Mix (Individual business APE (Single 1/10))

The distribution mix for Individual business APE (Single 1/10), is 50.08% for the Bancassurance channel and 49.92% for Agency and other channels.

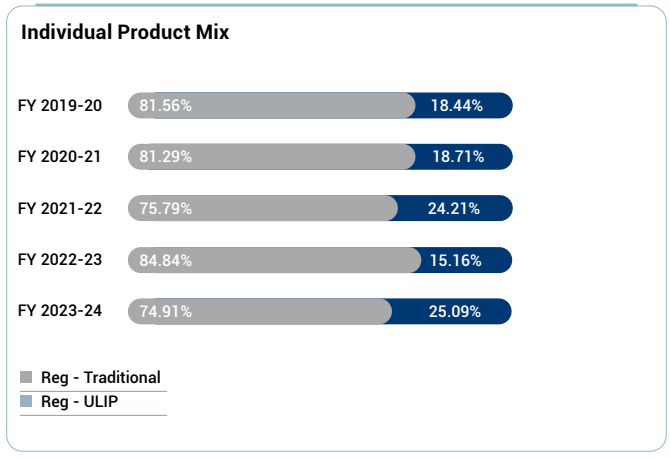
Individual Product Mix

This year product mix of KLI in individual regular premium continues to be driven largely by Traditional business being at 74.91% and ULIP at 25.09%.

Protection Share

Protection share as % of Individual New Business and Total Group Business stood at 35.07%.

Overall protection business for FY 2023-24 has grown by 2.30% from ₹ 3,076.17 crore to ₹ 3,147.04 crore YoY.



The total sum assured as on 31st March, 2024 stood at ₹ 1,441.28 (000 crore), a growth of 18.89% YoY

Group Business

The group business comprising Group term, Group Credit life business and Group Fund business (Including renewals) has grown by 16.51% in FY 2023-24 over FY 2022-23 from ₹ 4,044.94 crore in FY 2022-23 to ₹ 4,712.70 crore in FY 2023-24.

Conservation and Persistency

The conservation ratio stands at 88.09% in FY 2023-24 compared to 86.76% in FY 2022-23. As of March 2024, the persistency was 87.45% (13th month), 75.28% (25th month), 65.61% (37th month), 64.37% (49th month) and 54.57% (61st month).

Industry Comparison

On an individual APE Basis (Single 1/10), KLI has registered a growth of 3.45% against private insurance industry growth of 8.03% and overall industry growth of 4.83%. KLI's market share for Individual New Business premium (APE terms) is 3.82% for FY 2023-24 among private insurers.

On group APE Basis (Single 1/10), KLI market share for Group New Business premium (APE terms) is 13.27% for FY 2023-24 among private insurers.

In FY 2023-24, Insurance industry as a whole registered a growth of 4.26% on Total New Business Premium – Adjusted Premium Equivalent (APE) terms (Single 1/10), while KLI registered a growth of 16.36% on Total New Business Premium- APE terms. On the same basis, KLI market share stood at 5.40% of private industry.

Claims Settlement Ratio

The individual claims settlement ratio for FY 2023-24 stood at 98.29%, while the group claims settlement ratio for FY 2023-24 stood at 99.23%.

Digital Initiatives

KLI mainly focused on below areas

Information Technology and Digital Initiatives

FY 2023-24 was a year of significant transformation as the Company embraced "Process Excellence" as strategic guiding principle to streamline operations, build value-driven solutions, analytics-based decision making capabilities and leveraged technology to deliver a suave customer experience.

Investing in Future

KLI made vital investments in scaling technological prowess and deploying cutting-edge platforms offering Customers, Distributors and Partner modern age competences as below:

A. Enrich Customer On-boarding and Servicing

- Digitizing Group Business through Suraksha Portal

  Cloud enabled Suraksha Portal for Institutional customers facilitated faster data upload, digitized member on-boarding process and expedited cross system work-flows.

- Voluntary Coverage Portal for Corporate Solutions Group

  Voluntary coverage portal built for Institutional business enabled their members / employees to digitally complete opted voluntary coverage enrolment journey through link triggered on email or SMS. This further bolstered higher voluntary participation and enhanced customer experience.

- CRMNext Service Platform

  With an objective to empower touchpoints with pre-defined workflows, seamless business rule engine and simplify authentication process, 9 critical service requests were built and made live on CRM service platform. From the total Insta. eligible service requests (SRs), 79% of them were processed instantly.

- Proposal and Claims Tracking through WhatsApp and Webchat

  To provide customers with better visibility of Proposal status and Claims status, self-service digital channels WhatsApp and Webchat were enabled.

B. Fortify Distributor and Partner Engagement

Boost 360, a super-app for KLI advisors, partners and frontline sales employees. Boost empowers sales users with convenience of 10 Apps in 1 Super app and enabling cutting edge features like Customer Servicing Suite, Task and Activity Management, Increased revenue opportunities. It witnessed over 89,500 registered users and over 40,900 monthly active users, facilitating seamless business activities with over a million service requests met annually and over 60 million proactive nudges sent out.

C. **Organisation Capability Additions**

- SAS – Streamline Reporting and Data-Driven Decision Making

  Comprehensive data warehouse has been built on SAS platform enabling automated business insights, data exchange across peripheral systems and analytical use cases. In-house capabilities catering to the IRDAI policy and claims reporting mart has helped KLI improve accuracy and quality of regulatory reporting as well as lift in productivity.

- SAP Treasury Management

  Scalable SAP platform replaced conventional investment management practices / system thereby bringing automation in investment management activities, leading to improved efficiency.

Social and Rural Obligations

KLI has written rural policies 78,989 (FY 2022-23: 80,975) representing 22.65% of total policies against regulatory requirement of 20%. Further, KLI has covered 89,31,392 (FY 2022-23 : 80,63,445) social lives, which is more than the regulatory requirement of 5% total lives. KLI takes the social sector target not as an obligation, but with a sense of duty to the community.

KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

Kotak Mahindra General Insurance Company Limited ("KGI") was incorporated on 20th December, 2014 under Companies Act, 2013 as a 100% subsidiary of Kotak Mahindra Bank Limited. The Company received the certificate of registration from the Insurance Regulatory and Development Authority (IRDAI) on 18th November, 2015 with registration no. 152 and subsequently commenced operations on 17th December, 2015.The Company is in the business of underwriting general insurance policies relating to Fire, Marine and Miscellaneous lines of business.

The general insurance industry as a whole registered 13.24% YoY growth in FY 2023-24, in which the private sector (excluding standalone health insurance companies) grew by 19.53%. KGI grew its premium (excluding re-insurance) from ₹ 1,134.09 crore in FY 2022-23 to ₹ 1,587.11 crore in FY 2023-24, registering 39.95% growth.

Financial and Other Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Gross Written Premium (GWP) (including re-insurance)	1,598.36	1,148.30
Profit/(Loss) Before and After Tax	**(88.95)**	**(117.28)**
Claims Ratio	65.56%	69.50%
Combined Ratio	113.21%	121.25%

Revenue Review

KGI's Motor business grew 45.09% from ₹ 515.89 crore in FY 2022-23 to ₹ 748.48 crore in FY 2023-24, Health business (including Personal Accident) grew 42.68% from ₹ 483.37 crore in FY 2022-23 to ₹ 689.70 crore in FY 2023-24, Commercial business grew 7.48% from ₹ 149.04 crore in FY 2022-23 to ₹ 160.18 crore in FY 2023-24.

Product Mix

In order to maintain a balanced product mix, KGI product mix for Motor, Health and Others has moved from 45:43:12 in FY 2022-23 to 47:43:10 in FY 2023-24.

Solvency

As on 31st March, 2024, the solvency ratio of KGI stood at 1.85 against the regulatory requirement of 1.50.

Investments

Investments of KGI as on 31st March, 2024 stood at ₹ 2,295.36 crore against the previous year amount of ₹ 1,743.80 crore, registering 31.63 growth%.

Distribution Network

KGI has a network of 30 branches catering to more than 300 locations. KGI has 55 corporate agents, 5,476 individual agents, 6,907 point of sale agents, 553 brokers, 22 web aggregator, 24 micro insurance agents, 7 Insurance Marketing Firm and 2 Motor Insurance Service Providers.

Social and Rural Obligations

KGI has written a premium of ₹ 144.50 crore under rural obligation, representing 9.10% of the total premium. Further, KGI has covered 436,079 social lives against the regulatory requirement of 244,790.

Claim Servicing

The number of claims settled by the Company has increased from approximately 155,400 in FY 2022-23 to approximately 206,600 in FY 2023-24, up 33%.

Awards and Accolades

GOLD - Most Effective Customer Engagement – Pitch BFSI Summit (Kotak Meter)

GOLD - Most Effective Use of Apps – Pitch BFSI Summit (Kotak Meter)

GOLD - Most Effective Content Marketing Strategy – Pitch BFSI Summit (#DriveLikeALady)

GOLD - Most Effective Mobile Campaign – Pitch BFSI Summit (Road Safety)

GOLD - Financial Services – DMAi Asia (#DriveLikeALady)

SILVER - Financial Services – DMAi Asia (Kotak Meter)

SILVER - Mobile Category – DMAI Asia (Kotak Meter)

KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED AND KOTAK MAHINDRA TRUSTEE COMPANY LIMITED

Kotak Mahindra Asset Management Company Limited ("KMAMC") is the asset manager of Kotak Mahindra Mutual Fund (KMMF) and Kotak Mahindra Trustee Company Limited ("KMTCL") acts as the trustee to KMMF. KMAMC also acts as a portfolio manager under the portfolio management regulations and an investment manager to an AIF.

Financial Highlights

(₹ in crore)

Kotak Mahindra Asset Management Company Limited	FY 2023-24	FY 2022-23
Total Income	941.83	943.66
Total Expenses	371.19	337.81
PBT	**570.64**	**605.85**
PAT	**424.41**	**474.77**
KMMF - AAUM	346,589	287,058

Kotak Mahindra Trustee Company Limited	FY 2023-24	FY 2022-23
Total Income	140.53	111.82
Total Expenses	5.33	4.34
PBT	**135.20**	**107.48**
PAT	**100.77**	**79.99**

The mutual fund industry registered 22.81% YoY growth in FY 2023-24 over FY 2022-23 with the Annual Average Assets under Management (AAUM) for FY 2023-24 standing at ₹ 49.06 lakh crore.

During the same period, on the basis of AAUM, KMAMC was ranked no. 5 in the industry. The AAUM of KMMF stood at ₹ 346,589 crore for FY 2023-24, up 20.74% from ₹ 287,058 crore in FY 2022-23. AAUM Market Share was 7.07% in FY 2023-24 (7.18% FY 2022-23).

KMAMC has 54.21 lakh unique investors (on the basis of RTA data) against the industry's 445.88 lakh, a market share of 12.16% in March 2024, versus 11.99% in March 2023.

KMAMC ended the year with AUM under the portfolio management business of ₹ 3,203.30 crore as on 31st March, 2024 versus ₹ 1,595.98 as on 31st March, 2023.

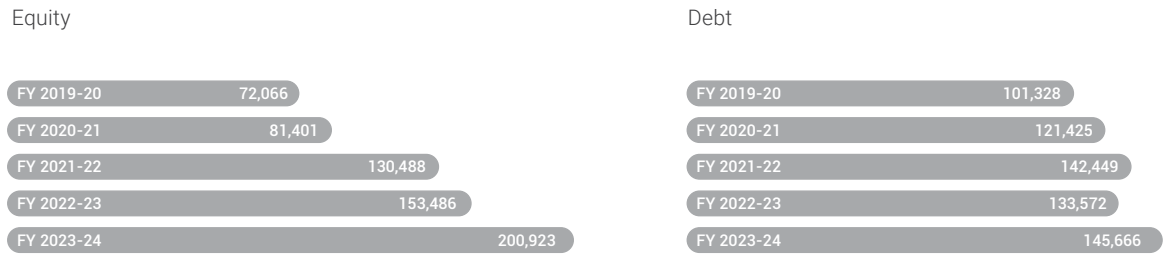
In FY 2023-24, the Company launched six open-ended funds and six passive strategies.

Revenue from operations increased to ₹ 926.37 crore in FY 2023-24 from ₹ 803.21 crore in FY 2022-23, largely on account of an increase in AAUM. The overall costs increased to ₹ 371.19 crore in FY 2023-24 from ₹ 337.81 crore in FY 2022-23. FY 2022-23 had a long-term capital gain of around ₹ 130 crore. Hence, the overall PBT decreased to ₹ 570.64 crore in FY 2023-24 compared to ₹ 605.85 crore in FY 2022-23.

As of March 2024, KMAMC had over 1 crore folios, with over 15 lakh new folios added in FY 2023-24. KMAMC had a robust distribution network with over 75,000 empanelled distributors and 101 branches spread across 94 cities.

For KMTCL, the increase in PBT is on account of increase in AAUM in FY 2023-24.

Average AUM
(₹ in crore)



Kotak Mutual Fund Marketing Campaign - Investor Awareness Program:

KMAMC has introduced "Seekho Paiso ki Bhasha," an investor awareness and education initiative that has earned recognition in the Asia and India Book of Records. Under this initiative, KMAMC organized 992 Investor Awareness Programs nationwide to educate and inform potential investors about Mutual Funds. Throughout the fiscal year ending on March 31, 2024, Investor Awareness Programs were conducted at 100 locations, drawing approximately 59,405 participants. These on-ground events aimed to educate attendees about mutual funds and their potential benefits. KMAMC conducted such programs in cities such as Mumbai, Delhi, Pune, Chennai, Kolkata, and various other locations.

Additionally, in an effort to enhance awareness about SIPs in mutual funds and emphasize the advantages of starting an SIP early, the company launched "Sahi Samay Pe SIP Karo" campaign. This initiative was designed to educate the audience on SIPs, their benefits, and demonstrate how SIP could help in achieving the financial goals when initiated at the right time or at an early age. The campaign featured a series of videos and was complemented by a digital outreach effort spanning Social Media pages, Google Display Network, and other channels, ensuring effective communication with the target demographic.

Prostart Online Training Module

- Focus on training – more than 540 distributor training events conducted covering over 19,600 participants
- Launched Video Learning Modules on KMAMC ProStart YouTube channel, which has over 6,320 subscribers and 1.84 lakh views

KOTAK MAHINDRA PENSION FUND LIMITED

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	6.38	3.13
PBT	**(0.21)**	**(3.49)**
PAT	**(0.21)**	**(3.49)**
AUM	4,706	2,856

Kotak Mahindra Pension Fund Limited ("KMPFL") manages nine schemes under the National Pension System. It had total assets under management (AUM) of ₹ 4,706 crore as at 31st March, 2024, up 65% from ₹ 2,856 crore as on 31st March 2023.

KMPFL's equity fund (NPS Tier 1) was among the top two best performing equity funds in the NPS industry (NPS Tier 1) over 5-year period as on 31st March 2024. KMPFL's government securities fund (NPS Tier 1) was among the top two best performing government securities funds in the NPS industry over 1 and 3-year period as on 31st March 2024.

Revenue from operations increased to ₹ 3.25 crore in FY 2023-24 from ₹ 2.23 crore in FY 2022-23, on account of the increase in AAUM. The overall costs has marginal decrease to ₹ 6.59 crore in FY 2023-24 from ₹ 6.62 crore in FY 2022-23. A one-time Capital gain of ₹ 2.66 is booked on account of switch made in mutual funds schemes and hence, the loss reduced from ₹ 3.49 crore in FY 2022-23 to loss of ₹ 0.21 crore in FY 2023-24.

KOTAK ALTERNATE ASSET MANAGERS LIMITED

(Formerly known as Kotak Investment Advisors Limited)

Kotak Alternate Asset Managers Limited ("KAAML") is India's leading alternate asset manager in the business of managing and advising funds across the following asset classes, namely (a) Special Situations (b) Real Estate (c) Infrastructure (d) Private Equity (e) Private Credit and (f) Investment Advisory. It curates Investment products for Investors and manages these to invest in unique and interesting investment opportunities relevant to the Indian markets and financing requirements of businesses. KAAML also provides non-binding investment advisory services to High Networth Individual (HNI) Clients.

The Company changed its name from Kotak Investment Advisors Limited to Kotak Alternate Asset Managers Limited for better reflection of its business.

KAAML's alternate asset management business is generating free cash flow from business. KAAML is investing in building the investment advisory business and the digital advisory and distribution business under Cherry. These businesses are longer gestation and are in development stage.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	413.12	322.38
Total Expenses	336.25	270.43
PBT	**76.87**	**51.95**
PAT	**58.84**	**42.27**

During the year, the Company has received new capital commitments of approximately ₹ 5,000 crore across various funds and strategies. The aggregate alternate assets managed / advised (including undrawn commitments, wherever applicable) as on 31st March, 2024 were ₹ 45,433 crore.

Alternate Asset Business:

The overview of the alternate assets business of the Company is, as follows:

Realty Fund: With a legacy spanning nearly two decades, Kotak Realty Fund manages a multi-billion dollar portfolio at the forefront of India's real estate private equity scene. It has demonstrated resilience and expertise by navigating various market cycles and offering customized capital solutions tailored to each investment opportunity. With deep market knowledge and acumen, it has consistently delivered superior, risk-adjusted returns to marquee investors, reinforcing its position as a pivotal player in the real estate investment.

Infrastructure Fund: Kotak Infrastructure Investment Fund is India's premier credit fund dedicated exclusively to the infrastructure sector. The fund aims to capture the burgeoning opportunities within India's infrastructure landscape by providing an investment platform for marquee investors. Leveraging Kotak Group's rich legacy, scale and deep expertise, the fund introduces a distinct investing approach covering operating assets across the traditional and emerging infrastructure spectrum.

Data Center Fund: India has emerged as the global leader in the data revolution. It has the highest data consumption per mobile user, backed by a unique digital payment interface, the lowest cost mobile data tariffs and increased smartphone penetration. Kotak Data Center Fund provides investors with the unique opportunity to participate in the growth from the buildout of Data Centers, which serve as the nerve centre of digital infrastructure.

Strategic Situation Fund: The Kotak Strategic Situation Fund exemplifies precision investing, identifying strategic scenarios, restructuring and turnaround prospects amidst India's flourishing growth story. Its dynamic approach ensures a bespoke configuration of strategies that tap into unique opportunities. Leveraging Kotak's trust and expertise, it provides appealing risk-adjusted returns via judicious, perceptive investment choices. During the year, the Company raised an additional ₹ 1,447 crore for Kotak Strategic Situations India Fund II, which focuses on providing strategic solution capital across growth and value companies. The Fund has raised a total commitment of ₹ 11,695 crore.

Private Equity: As a seasoned player in India's private equity landscape since 2005, Kotak Private Equity specialises in harnessing the Indian entrepreneurial spirit to drive long-term, sustainable growth. Expertly aligning with macroeconomic trends layered with deep insights and adaptive strategies, it drives India's growth story. Kotak Private Equity team continues its focus on proprietary investments in early stage healthcare and life sciences ventures with three deals in this segment.

Private Credit: Kotak Private Credit Fund positions itself at the heart of India's economic progress, providing bespoke financial solutions designed to strengthen robust businesses. Armed with profound industry knowledge, the fund ignites business ambition and fosters innovation, generating superior risk-adjusted returns for marquee investors. During the year the company raised an additional ₹ 662 crore in Kotak Private Credit Fund.

Investment Advisory Business:

As a SEBI registered investment advisor, KAAML prides itself on providing advice, which is tailored to meet the specific needs and goals of each client and is built on the tenets of asset allocation. The advisory proposition is focused on dedicated advice based on client specific investment objectives, preferences and tailored solutions based on the risk profile of the client.

During the current year, the investment advisory practice achieved the key milestone of crossing ₹ 100,000 crore of assets under advice, across more than 390 families. During the year, one out of every three clients have increased their assets with us. During the year we launched Kotak Selekt our investment advisory offering for clients in the ₹ 5 crore to ₹ 50 crore segment.

KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED

Kotak Mahindra Trusteeship Services Limited ("KMTSL"), incorporated on 16th March, 2000, acts as a trustee to domestic venture capital funds, alternate investment funds. KMTSL also offers Kotak's Estate Planning Services and with a legacy of over 16 years in this field, KMTSL has been instrumental in setting up private family trusts for many families across India, catering to a diverse mix of industries and sectors.

Kotak's Estate Planning Services plays an important role in providing a comprehensive platform covering the entire gamut of financial products and services for Ultra High Net Worth Individual (UHNI) and High Net Worth Individual (HNI) clients, comprising entrepreneurs, business families, and professionals. It also acts as a trustee to estate planning trusts, in which it assists in setting up private trusts for High-Net Worth individuals to achieve their succession and financial planning

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	19.45	14.05
Total Expenses	11.77	10.54
PBT	**7.68**	**3.51**
PAT	**5.87**	**2.63**

KOTAK INTERNATIONAL SUBSIDIARIES

Kotak International subsidiaries consist of following entities:-

1. Kotak Mahindra (UK) Limited
2. Kotak Mahindra (International) Limited
3. Kotak Mahindra, Inc.
4. Kotak Mahindra Asset Management (Singapore) Pte. Limited
5. Kotak Mahindra Financial Services Limited

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	434.73	270.27
PBT	**219.74**	**90.32**
PAT	**188.72**	**76.31**

The international subsidiaries have offices in Singapore, the UK, Mauritius, the US and the UAE.

The international subsidiaries are mainly engaged in investment management, advisory services, dealing in securities, broker-dealer activities and investments on own accounts.

The funds managed or advised by the international subsidiaries are India-centric equity and debt funds and target investors from across the globe seeking to invest into India. Though the international subsidiaries have the right blend of products to be offered to global investors through its network of sub-distributors, it is heavily dependent on the performance of the Indian capital markets and funds, other product manufacturers and also the investment appetite of the global investors seeking to invest into India.

Business Update

The closing assets managed/ advised by the international subsidiaries was USD 6.19 billion (₹ 51,653.61 crore) as on 31st March, 2024 compared to USD 3.77 billion (₹ 30,982.11 crore) as on 31st March, 2023. This was primarily on account of net inflows into funds as well as positive movement in capital markets in India. The average AUM (AAUM) was USD 5.47 billion (₹ 45,317.06 crore) as on 31st March, 2024 compared to USD 3.62 billion (₹ 29,103.93 crore) as on 31st March, 2023.

Income from bond dealing business remained subdued in FY 2024 due to lower activity and volumes in the market across the globe.

Financial Update

The total income earned by International Subsidiaries increased to ₹ 424.73 crore in FY 2023-24 from ₹ 270.27 crore during the FY 2022-23. The higher income from investment management (largely due to higher AAUM as mentioned above), advisory and other services (₹ 106.81 crore) and income from investments (including mark-to-market gain) (₹ 63.18 crore) was offset by lower income from dealing in securities (₹ 8.45 crore). The overall expenses increased to ₹ 214.98 crore in FY 2023-24 from ₹ 179.95 crore in FY 2022-23. PBT stood at ₹ 219.75 crore in FY 2023-24 versus ₹ 90.32 crore in FY 2022-23.

BSS MICROFINANCE LIMITED

BSS Microfinance Limited ("BSS") is a wholly owned subsidiary of KMBL and working as Business Correspondent ("BC") of the Bank. BSS facilitates microcredit loans to rural and semi-urban poor women. It has 855 branch offices across 13 states in India. Loans originated by BSS are eligible for priority sector advances of the Bank.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	996.07	633.10
Total Expenses	487.03	236.81
PBT	**509.04**	**396.29**
PAT	**383.22**	**297.21**

Disbursements grew to ₹ 8,213.32 crore in FY 2023-24 from ₹ 6,597.33 crore in FY 2022-23. Further, PAT grew to ₹ 383.22 crore in FY 2023-24 from ₹ 297.21 crore in FY 2022-23.

SONATA FINANCE PRIVATE LIMITED

Sonata Finance Private Limited ("Sonata") is a Non-Banking Finance Company – Micro Finance Institution registered with the RBI. On 28th March, 2024, the Bank has acquired 100% of the issued and paid up share capital of Sonata Finance Private Limited for a total consideration of ₹ 537.12 crore.

Sonata has 563 branch offices across 10 states in India. Post acquisition by the Bank, Sonata will be providing services as a Business Correspondent.

IVY PRODUCT INTERMEDIARIES LIMITED

At present, IVY Product Intermediaries Limited earns income from investment of its surplus money in fixed deposits.

Financial Highlights

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Total Income	0.45	0.32
PBT	**0.44**	**0.24**
PAT	**0.33**	**0.16**

KOTAK KARMA FOUNDATION

On 26th June, 2023, the Bank has incorporated Kotak Karma Foundation under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence (CoE) of the Bank for furtherance of part of its Corporate Social Responsibility (CSR) Initiatives.

RISK MANAGEMENT

A. RISK MANAGEMENT

The Group views risk management as a core competency and tries to ensure sound management of risks through timely identification, assessment and management. Risk management is a key internal process and is aimed at ensuring that the results of the activities that imply assuming a risk are consistent with the strategies and risk appetite and that adequate balance exists between the risk and benefit in order to maximize the value for the shareholders. Risk management capabilities are critical in sustaining the current growth and profitability. The Group has continued to develop and fine-tune relevant policies, tools and processes and over the years, enhanced risk management system and processes to be in compliance with the changing regulatory requirements and to effectively manage and mitigate risks to which it is exposed.

The Group manages Risk under an Enterprise wide Risk Management ("ERM") framework that aligns risk and capital management to business strategy, protects its financial strength, reputation and ensures support to business activities for adding value to customers while creating sustainable shareholder value. The ERM policy sets the approach for Risk Management and is adopted by legal entities in the group, with suitable modifications, as appropriate for their individual businesses. The policy guides the organization of the risk management function and the identification, measurement, management and reporting of risks. The ERM policy is complemented by policies and procedures/guidelines that are aligned to individual risks and guide businesses in risk management, whilst working towards achieving their business objectives. These specific policies set the principles, standards and core requirements for the effective management of those risks. The ERM framework supports the Managing Director & CEO ("MD & CEO") and Group Chief Risk Officer ("Group CRO") in embedding strong risk management and risk culture while facilitating effective risk oversight through a sound and well-defined internal governance model, with a clear structure of risk ownership and accountability. The ERM framework lays down the following components for effective Risk Management across the Group:

- An Independent Risk organisation and governance structure with a clear common framework of risk ownership and accountability
- Governance standards and controls to identify, measure, monitor and manage risks
- Policies to support and guide risk taking activities across the Group
- Risk Appetite statements
- Standardised risk metrics and risk reports to identify and communicate and risks
- Periodic stress testing to assess the impact of adverse business conditions on earnings, capital and liquidity.

The Bank has adopted the three lines of defence model towards risk management. Business units and the independent risk management function, work in collaboration to ensure that business strategies and activities are consistent with the laid down policies and limits. Responsibilities for risk management at each line of defence are defined, thereby providing clarity in the roles and responsibilities towards risk management function.

The model adopted, provides a formalized, transparent governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Bank.

At the first line of defence are the various business lines that the Bank operates, who assume risk taking positions on a day to day basis and manage it within approved framework and boundaries.

The second line of defence is made up of Risk Management, Finance and Compliance functions. This line provides independent review, challenge and oversight of the activities conducted by the first line and periodic reporting to the Board. The second line is responsible for frameworks, policies, appetite and limits, which the first line must adhere to and comply with in their operations. This line is also responsible for monitoring the risk management and reviewing the risks that the bank is exposed to and ensures that the management and the Board is sufficiently informed of the risk exposure.

The third line of defence is the audit function that provides an independent assurance at the institutional level on the design and operation of the internal control, risk management and control processes through the first and second lines of defense, independent assessment of the first and second line of defence and reports to the audit committee of the Board.

The risk management framework based on the three lines of defence governance model is further strengthened by a strong risk culture that is present at all levels. All employees are responsible for understanding and managing risks within the context of their individual roles and responsibilities.

The Group CRO, who is appointed by the Board of Directors and reports directly to the MD & CEO, heads the independent risk function in the Bank and the Group. A disciplined, structured and integrated approach is adopted to managing risks. The Risk function provides an independent and integrated assessment of risks across various business lines. The risk management function has separate units responsible for management of credit risk, market risk, operational risk, liquidity and interest rate risk, group risk and technology risk. Each of these units reports to the Group CRO.

The Group has a well-established risk management structure, which includes the Board of Directors, supported by an experienced senior management team and various management committees as part of the Risk Governance framework. The risk management process is the responsibility of the Board of Directors, which approves risk policies and the delegation matrix. The Bank and every legal entity in the Group, operates within overall limits set by the Board and Committees to whom powers are delegated by the Board.

Every quarter, the Group CRO reports to the Risk Management Committee ("RMC") and the Board, on the performance against risk appetite and the risk profile. Besides this, formal updates on various portfolios are provided to the RMC and Board periodically. Such regular and transparent risk reporting and discussion at senior management level, facilitates communication and discussion of risks and mitigating strategies, across the organisation. The RMC and Board members are appropriately qualified to discharge their responsibilities, have appropriate balance of industry knowledge, skills, experience, professional qualifications and relevant technical, financial expertise in risk disciplines or businesses.

The risk management processes of the Bank's subsidiaries are the responsibility of their respective boards. A Group Risk Management Committee ("GRMC") ensures that there is a holistic view of risks at overall Group level. The Board has oversight of the management's efforts to balance growth and prudent risk management, while creating value for stakeholders.

As of date, the Bank and major lending entities of the Group continue to be rated "AAA", reflecting the Group's strong financial risk profile, sound asset quality, robust liquidity and strong capital adequacy.

B. CAPITAL ADEQUACY

The Group's approach to capital adequacy is driven by strategic and organisational requirements while taking into account the regulatory and macro-economic environment. Capital management involves an on-going review of the level of capitalisation against key objectives and to maintain a strong capital base to support long-term stability, planned business growth and risks inherent in various businesses. The strong Tier I capital position of the Group is part of the overall business strategy and a source of competitive advantage. It provides assurance to regulators and credit rating agencies, while protecting the interests of depositors, creditors and shareholders. Strong capitalisation also enables the Group to take advantage of attractive business opportunities. The Group strives to strike a balance between the need for retaining capital for strength and growth, while providing an adequate return to shareholders. The Group sets an internal capital adequacy ratio target that includes a discretionary cushion in excess of the minimum regulatory requirement.

In addition to the regulatory risk-based capital framework, the Group is also subject to minimum Leverage Ratio requirement. The leverage ratio is calculated by dividing Basel III Tier 1 capital by the total of on-balance sheet assets and off-balance sheet items at their credit equivalent values. The strong Tier 1 position of the group ensures a high leverage ratio for the group.

Capital planning is an important element of overall financial planning and capital requirements of businesses are assessed based on the growth plans. The Capital utilisation and requirement is monitored every quarter to ensure sufficient capital buffer above regulatory and internal requirement. Senior management considers the implications on capital, prior to making strategic decisions. During the year, the Bank and each legal entity in the Group placed emphasis on capital and liquidity to ensure that they were capitalised above internal and regulatory minimum requirements at all times, including under stress conditions.

C. RISK APPETITE

The risk appetite is set by the Board and is a top-down process consisting of specific quantitative and qualitative factors and provides an enforceable risk statement on the amount of risk the Group is willing to accept in support of its financial and strategic objectives. The risk appetite statements set the "Tone from the Top" and cover all key risk factors and clearly define the boundaries of risk taking. The Risk Appetite is set in a manner to facilitate sustainable growth and to manage risks in a way that sustains the confidence of all internal and external stakeholders.

The risk appetite is a key building block of the Bank's risk management culture and risk management framework. Risk Appetite forms a key input to the business and capital planning process by linking risk strategy to the business strategy, through a set of comprehensive indicators. The Risk appetite statements are reviewed by senior management who recommend it to the Board for approval. Annual financial plans are tested against key risk appetite measures to ensure alignment. Regular monitoring of risk exposures is carried out to ensure that risk taking activity remains within risk appetite. Performance against approved risk appetite is measured every quarter and reviewed by the Senior Management, RMC and Board. Action is taken as needed, to maintain balance of risk and return. The framework is operational at the consolidated level as well as for key legal entities.

D. CREDIT RISK

Of the various types of risks which the Group assumes, credit risk contributes to the largest regulatory capital requirement. Credit risk arises as a result of failure or unwillingness on part of customer or counterparties' to fulfil their contractual obligations. These obligations could arise from wholesale, retail advances, off balance sheet items or from investment and trading portfolio by way of issuer risk in debt paper, counterparty risk on derivative transactions and downgrade risk on non SLR investments and OTC contracts. The Group assumes credit risk in areas that are well understood and where there is sufficient expertise, resources and infrastructure to effectively measure and manage the risk and balance risk with reward.

The Group has a comprehensive top down credit risk framework defined by Credit policies and Standards that sets out the principles and control requirements under which credit is extended to customers in various business divisions. The policies and standards cover all stages of the credit cycle including origination, client ratings, risk assessment, credit approval, risk mitigation, documentation, administration, monitoring and recovery. These provide guidance in the formulation of business-specific credit policies and standards. The Group aims to have a consistent approach across legal entities when measuring, monitoring and managing credit risk.

Credit and investment decisions must comply with established policies, guidelines, business rules and risk assessment tools used to help make these decisions. Managing credit risk is the responsibility of several levels of employees - from those who deal directly with clients to authorizing officers. The Group has credit approving authorities and committee structures and a set of formal limits for the extension of credit, linked to the risk levels of the borrower and transaction. Authorities are delegated to positions commensurate with their function and the level of credit knowledge and judgement that employees holding that position are required to possess. The delegation of authority is reviewed at least annually.

The Credit philosophy in the Bank mandates that lending is based on credit analysis, with full understanding of the purpose of the loan and is commensurate to customer financials and ability to repay from business operations without compromising business continuity or finances. Off balance sheet transactions are subjected to the same rigorous credit analysis as on balance sheet transactions. Appropriate levels of collateralization is obtained based upon the nature of the transaction and the credit quality, size and structure of the borrower.

The Group evaluates the credit of every loan applicant and guarantor before approving any loan. The evaluation and approval process differs depending on whether the loan is a wholesale loan or a retail loan. The wholesale and retail portfolios are also managed separately owing to difference in the risk profile of the assets.

Wholesale lending is managed on a name-by-name basis for each type of counterparty and borrower Group. Internally developed credit rating models provide a consistent and structured assessment. The credit rating model considers a variety of criteria (quantitative, qualitative, financial and non-financial) to standardize credit decisions and focus on the quality of borrowers. Financial considerations include financial variables and ratios based on customer's financial statements and non-financial considerations include, among other things, the industry to which the borrower's businesses belong, the borrower's competitive position in its industry, its operating and funding capabilities, the quality of its management, technological capabilities and labour relations. Wholesale borrowers are assessed individually and further reviewed and evaluated by experienced credit managers who consider relevant credit factors and supplement it with their expert judgment in the final determination of the borrower's risk. Depending on exposure and credit rating, levels of authority are defined so that credit decisions are always made at a level adequate to the risk involved. Wholesale credit is monitored at an aggregate portfolio, industry, individual client and borrower Group level. Annual credit reviews of borrowers are a key

credit control measure. Parameters for new underwritings are clearly specified and internal ratings are assigned when a credit is initially approved. The ratings are reviewed at least once annually, with updated information on financial position, market position, industry economic condition and account conduct. Besides client account reviews, sector outlook and performance of borrowers within sectors are monitored and reported to senior management.

Retail portfolios typically consist of a large number of accounts of relatively small value loans. They comprise mortgage loans, vehicle loans, personal loans, credit cards, small business loans, etc. Some parts of retail lending are mainly schematic lending within pre-approved parameters. The credit assessment in such portfolios is typically done using a combination of client scoring, product policy, external credit reporting information such as credit bureaus where available and is also supplemented by Credit officer's judgment, where applicable. Internal historical information from previous borrowings also forms an input into credit decisions. There are specific guidelines for each product and the credit decision will take into account the parameters like loan to value, borrower demographics, transaction history with the Bank and other financial institutions, income, loan tenor, availability of guarantors and other relevant credit information.

Retail clients are monitored on pools of homogeneous borrowers and products. Business-specific credit risk policies and procedures, including client acceptance criteria, approving authorities, frequency of reviews, as well as portfolio monitoring frameworks and robust collections and recovery processes are in place.

The delinquency status of borrowing accounts, a key indicator of credit quality, is closely monitored. An account is considered delinquent when payment has not been received in full, by the payment due date. Any delinquent account, including a revolving credit facility with limit excesses, is monitored and managed through a disciplined process by officers from business units and the Collections function.

The Bank's credit process is divided into three stages namely, pre-sanction, sanction and post -sanction.

At the pre-sanction stage, the independent credit function conducts credit appraisal and assign a borrower credit rating based on the internal rating model. The credit rating takes into consideration the borrowers current and anticipated financial position and other relevant risk factors like Business risk, Industry and Management quality. The Bank has various rating models depending upon the borrower size and segment. Each credit rating assigned maps into a borrower's probability of default. The borrower rating is supplemented by a separate risk rating assigned at the facility level, that takes into consideration additional factors, such as security, seniority of claim, structure, and any other form of approved credit risk mitigation. At a minimum, two independent credit officers are involved in the rating decisions and the ratings are finalised by a more senior credit officer. Credit approval procedures follow the check-and-balance principle. There is a multi-level credit approval process requiring loan approval at successively higher levels depending on the size and collateral of the proposal.

In the post-sanction process, the Credit Administration team processes documentation, on the completion of which, credit is disbursed. There is regular reporting on portfolio distribution by risk grades, monitoring of covenants prescribed as part of sanction and pending documentation, if any.

An independent loan review team conducts reviews of credit exposures, covering compliance to internal policies, sanction terms, regulatory guidelines, account conduct and suggests remedial measures to address irregularities, if any. The Bank has an Enterprise-wide Review Framework that considers various financial and non-financial parameters to identify signs of credit weakness at an early stage. Depending on the nature of the signals detected by the early warning system, a borrower may be classified into different internal attention levels. In the case of loans where there is significant deterioration, the Bank employs various recovery mechanisms, including transferring the account to an internal unit specialised in managing problem accounts, to maximise collection from these accounts. The approaches may range from auction of borrower securities, court proceedings, sale of assets or corporate restructuring as needed.

E. COLLATERAL AND CREDIT RISK MITIGATION

Credit Risk mitigation, begins with proper customer selection through assessment of the borrower, along financial and non-financial parameters, to meet commitments. The Group uses a number of methods to mitigate risk in its credit portfolio (on and off balance sheet), depending on suitability of the mitigant for the credit, legal enforceability, type of customer and internal experience to manage the particular risk mitigation technique. Common credit risk mitigation techniques are facility structuring, obtaining security / collateral, guarantees and lending covenants. While collateral cannot replace a rigorous assessment of a borrower's ability to meet obligations, it is an important complement. Mitigating mechanisms like syndication, loan assignments as well as reduction in the amount of credit granted are also used. While unsecured facilities may be provided, within the Board approved limits for unsecured lending, collateral is taken wherever needed, depending upon the level of borrower risk and the type of loan granted.

The Bank has an approved Collateral management policy that sets out the acceptable types of collateral, valuation framework and the hair cut applicable. The haircut applied depends on collateral type and reflects the risk due to price volatility, time taken to liquidate the asset and realisation costs. Collateral values are assessed at the time of loan origination by an independent unit and the valuations are updated, as per policy, depending on the type of collateral, legal environment and creditworthiness of the borrower. In cases where the value of collateral has materially declined, additional collateral may be sought to maintain the cover as per sanction terms.

The main types of collateral / security taken include cash and cash equivalents, immovable property, movable fixed assets, inventory and receivables. Guarantees from higher rated entities are also obtained in cases where credit worthiness of the standalone borrower is not sufficient to extend credit. Guarantees that are treated as eligible credit risk mitigation are monitored along with other credit exposures to the guarantor.

Legal enforceability of collateral obtained is critical, to improve recoveries in the event of a default. The Bank has specific requirements in its internal policies with regard to security verification and appropriate legal documentation. Periodic inspections of physical collateral are performed where appropriate and where reasonable means of doing so are available. The Credit Administration and Legal function ensure that there is timely registration, adequate legal documentation, in line with internal policies, to establish recourse to any collateral, security or other credit enhancements. The collateral obtained is released on repayment of all dues or on collection of the entire outstanding credit facility, provided no other existing right or lien for any other claim exists against the borrower.

F. CREDIT RISK CONCENTRATION

Credit concentrations are managed at two levels: portfolio level and individual credit level. To avoid undue concentration in credit exposures and maintain diversification, the Bank operates within Board approved limits or operational controls in its loan portfolio, that include -

- Single / Group borrower and Substantial exposure limits
- Sector and Industry limits
- Exposure limits on below investment grade accounts
- Country / Bank exposure limits
- Unsecured Retail exposures

The Bank has defined internal limits for managing borrower concentrations, which are tighter than regulatory norms. Exposures are monitored against approved limits to guard against unacceptable risk concentrations, and appropriate actions are taken in case of any excess. Concentration limits represent the maximum exposure levels the Bank will hold on its books. Besides controlling fresh exposure generation, loan sell-downs are used as a key tool in managing concentrations. Concentration levels in the credit portfolio are reported to senior management. Based on evaluation of risk and stress in various sectors, the Bank identifies stressed sectors and makes provisions for standard assets at rates higher than the regulatory minimum, in such sectors.

Concentration is also monitored in geographic locations in the retail portfolio, delinquency trends, types of credit facilities and collaterals. The risk appetite of the Bank mandates a diversified portfolio and has suitable metrics for avoiding excessive concentration of credit risk. Through periodic monitoring, analysis and reporting, the Bank ensures that the overall risk in the portfolio is diversified and consistent with the risk appetite mandate while achieving financial objectives.

G. MARKET RISK IN TRADING BOOK

Market Risk is the risk of possible economic loss arising from adverse changes in market risk factors such as interest rates, foreign exchange rates, credit spreads, commodity and equity prices and implied volatilities. Market Risk in the Bank is managed through the Board Approved Investment Policy – which sets out the Investment Philosophy of the Bank and its approach to Market Risk Management. The Risk Management Committee of the Bank approves and reviews performance against the Bank's Market Risk Appetite. The Asset Liability Management Committee (ALCO) of the Bank approves the market risk and limit framework, the allocation of limits to business units and desks, the risk monitoring systems and risk control procedures. The Bank's Board Committee for Derivative Products and the Senior Management Committee for Derivatives are responsible for the oversight of the derivatives business.

The Bank has a comprehensive market risk limit-framework, including limits on sensitivity measures like PV01, Duration, Option Greeks (Delta, Gamma, Vega, etc.) and other limits like Value at Risk (VaR) limits, loss-triggers, value-limits, gap-limits, deal-size limits, tenor restrictions and holding-period limits.

The Market Risk Management unit reports directly to the Group Chief Risk Officer and ensures that all market risks are identified, assessed, monitored and reported for management decision making. The unit is responsible for identifying and escalating any risks, including deviations and limit breaches on a timely basis. Major market risk limits like PV01, Bond Position Limits, Desk-wise FX Position limits, Greek limits, etc. are monitored on an intraday basis. The market risk control framework is enhanced by systems, policies and procedures.

The Bank uses Value at Risk (VaR) to quantify the potential loss from adverse moves in the financial markets. The VaR model is based on historical simulation and a confidence level of 99% for a one-day holding period. The effectiveness of the VaR model is periodically evaluated through a process of back-testing. The Bank periodically performs Stress testing and Scenario analysis to measure the exposure of the Bank to extreme, but low-probability market movements.

H. COUNTRY AND COUNTERPARTY CREDIT RISK

Country Risk is the risk of loss that the bank faces, which is specifically attributed to events in a specific country. Country risk may be triggered by deterioration of economic conditions, political and social turmoil, asset nationalization or expropriation, government's refusal to pay external debt, foreign exchange control or currency depreciation in a country or a region.

The Bank has a Board approved Country Risk Policy, which takes into account direct and indirect risk (both funded and non-funded exposures) for the purpose of identifying, measuring, monitoring and controlling country risk. As per the Policy, Asset-Liability Committee ("ALCO") of the Bank is empowered to approve country limits.

Financial institutions are interrelated because of trading, clearing, counterparty, funding or other relationships. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, commercial banks, investment banks, mutual funds, and other clients with which it regularly executes transactions. The Bank is exposed to counterparty risk arising from the potential inability of counterparties to fulfil their obligations under transactions.

As per the Investment Policy of the Bank, ALCO of the bank fixes counterparty limits for inter-bank participants based on their capital adequacy, resource raising ability, asset quality, earning, management and systems evaluation, liquidity and so on. These limits are reviewed from time to time. Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is generally quantified by evaluation of the market price plus potential future exposure. This is used to calculate the regulatory capital and is included within the overall credit limits to counterparties for internal risk management.

Settlement risk is the potential loss incurred if a counterparty fails to fulfil its obligation after the Bank has performed its obligation under a contract or agreement at the settlement date. This risk is managed by close supervision of settlement transactions or by settling transactions on a delivery versus payment basis where possible, based on accepted market practices.

With a view to reduce counterparty and systemic risk, there are regulatory initiatives directing OTC trades to be cleared through Central Counterparties ("CCPs"). Derivative transactions are cleared through Central Counterparties, where possible, to reduce counterparty credit exposure through netting and the margining process. The Bank has a dedicated team that manages the interface with CCPs and understands the implications of the risk transfer from being distributed among individual bilateral counterparties to CCPs. The Bank operates within ALCO approved limits on individual CCP.

The Bank manages country and counterparty credit exposures through careful selection of market counterparts, placing concentration limits on particular counterparty exposures, daily limit monitoring, escalation of excesses, pre-deal excess approvals, regular risk reporting and stress testing.

I. INTEREST RATE RISK IN BANKING BOOK (IRRBB)

IRRBB consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income. IRRBB arises from mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items in the banking book. The intensity of the impact depends largely on timing mismatches in the maturity and repricing of assets and liabilities and off-balance sheet positions. The aim of managing interest-rate risk is to ensure that exposure to fluctuations in interest rates is kept within acceptable limits. The Group assesses and manages interest rate risk in its banking book as well as including trading book.

ALCO is the guiding body for management of IRRBB in the bank and sets the overall policy and risk limits. Balance Sheet Management Unit (BMU), which is part of the treasury, is entrusted with the responsibility of managing IRRBB and uses Funds Transfer Pricing (FTP) to transfer risk from business units to centralised treasury. No interest rate risk is retained within any business other than treasury. Measuring interest rate risk in the banking book, includes conventional parallel yield curve shifts as well as scenarios in which the curvature of the yield curve changes.

As interest rate risk can impact both net interest income ("NII") and value of capital, it is assessed and managed from both earning and economic perspective. Bank uses earnings at risk (EaR) as a short term risk indicator to assess the sensitivity of NII and NIM over a one-year period, to change in interest rates. From an economic perspective, which is a long-term risk indicator, it uses duration approach to determine the sensitivity of economic value of equity (EVE) to changes in interest rates.

J. LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due without adversely affecting its financial condition or not being able to finance growth of its assets without incurring a substantial increase in costs. The efficient management of liquidity is essential to the Group in order to retain the confidence of the financial markets and maintain the sustainability of the business. Liquidity is managed through the Group Liquidity policy, which is designed to maintain high quality liquid assets to protect against adverse funding conditions and to support day-to-day operations while maintaining a diversified funding profile. Diversification of funding sources is a key element of the funding strategy and funding sources are well diversified by source, instrument, term and geography. The choice of funding sources and instruments is based on a number of factors, including relative cost and market capacity as well as the Group's objective to achieve an appropriate balance between the cost and the stability of funding. The organization strives to maintain a long term funding structure in line with the liquidity of its assets, with maturity profiles that are compatible with the generation of stable and recurrent cash flows, so that the Balance Sheet can be managed without liquidity strains in the short term. The funding of lending activity is fundamentally carried out using stable customer funds. The ongoing availability of this type of funding is dependent on a variety of factors such as general economic conditions, confidence of depositors in the economy, in the financial services industry, and in the Group, availability and extent of deposit guarantees, as well as competition between banks or with other products such as mutual funds, for deposits.

Asset Liability Management Committee (ALCO) of the Bank defines its liquidity risk management strategy and risk tolerances. Balance Sheet Management Unit (BMU) of the bank is responsible for managing liquidity under the liquidity risk management framework. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the liquidity risk appetite. Liquidity

risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits. Liquidity risk tolerance is an integral part of the Board approved risk appetite statements.

There is an internal funds transfer pricing mechanism under which each business is allocated the full funding cost required to support its assets, Businesses that raise funding are compensated at an appropriate level for the liquidity benefit provided by the funding. Limit setting and transfer pricing are tools designed to control the level of liquidity risk taken and drive the appropriate mix of funds.

Liquidity risk is assessed in the Bank from both structural and dynamic perspective and the Bank uses various approaches like Stock approach, cash flow approach and stress test approach to assess this risk. The Bank has also set prudential internal limits in addition to regulatory limits on liquidity gaps, call borrowing, interbank liabilities, etc. Cash flow management is critical for liquidity risk management and the Bank has developed models for predicting cash flows for products with indeterminate maturity, products with embedded options, contingents, etc. The outcome of the models is periodically back tested to test their effectiveness.

The Bank also manages its intra-day liquidity positions so that payments and settlement obligations are met on a timely basis. The Bank dynamically manages the queue of payments, forecasts the quantum and timing of cash flows, prioritizing critical payment transactions, assessing the drawing power of intraday liquidity facilities, etc.

The Bank follows a scenario based approach for liquidity stress testing to evaluate the impact of stress on the liquidity position. The Liquidity Coverage Ratio ("LCR") aims to promote short-term resilience of a bank's liquidity risk profile and measures the extent to which a Banking Group's High-quality liquid assets ("HQLA") are sufficient to cover short-term expected cash outflows in a stressed scenario, over the next 30 calendar days. The expected cash outflows are arrived by applying specific run off rates, prescribed by the regulator, against outstanding liabilities and off-balance sheet commitments. These outflows are partially offset by inflows, which are calculated at regulatory prescribed inflow rates. The HQLA have to meet the defined eligibility criteria laid down by the regulator. The composition of liquid assets is monitored, to ensure diversification by asset class, counterparty and tenor.

The Group is well above the minimum regulatory requirement of 100% for the LCR. The Group considers the impact of its business decisions on the LCR and regularly monitors the LCR as part of the liquidity risk management framework.

Besides LCR, the Basel III liquidity framework also envisage the Net Stable Funding Ratio (NSFR), which measures the ratio between available stable funding (>1 year) and the required stable funding (> 1 year) to support long-term lending and other long term assets. The Group is well above the regulatory requirement of 100%.

To supplement the monitoring of liquidity risk under normal business conditions, a framework has been designed to prevent and manage liquidity stress events. The bank has a Contingency Liquidity Plan ("CLP") approved by ALCO and the Board, that plays an important role in its liquidity risk management framework. The CLP incorporates early warning indicators (EWIs) to forewarn emerging stress liquidity conditions and to maximize the time available to undertake appropriate mitigating strategies. The plan establishes an appropriate governance structure, lines of responsibility, contact lists to facilitate prompt communication with all key internal and external stakeholders and also defines strategies and possible actions to conserve or raise additional liquidity, under stress events of varying severity, to minimize adverse impact on the Bank.

K. OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The objective of operational risk management at the Bank is to manage and control operational risk in a cost effective manner within targeted levels as defined in the risk appetite. The centralised and independent operational risk management function manages this risk as guided by the Board approved operational risk management policy.

The Board of Directors, Risk Management Committee and the Operational Risk Executive Committees (ORECs) have overall oversight function for operational risk management. The Group level IT Security Committee provides direction for mitigating the operational risk in IT security. There is a group wide IT security programme (ARISTI) to ensure complete data security and integrity. There is also a Committee on Frauds, which reviews all frauds above a threshold amount. Further, an Executive-level Fraud Risk Management Committee has been constituted under the chairmanship of the Group Chief Risk Officer.

The Business Units and support functions, are accountable for operational risks and controls in their respective areas, which they manage under the policies, standards, processes, procedures; and operational risk management framework laid down by the independent Operational Risk Management (ORM) function. The ORM function defines standardised tools and techniques such as Risk and control self-assessment (RCSA) to identify and assess operational risks and controls. The RCSA programme is executed by Business and support functions in accordance with the standards established by the ORM function. The ORM team provides independent challenge to the RCSAs and evaluates the residual risks. Key Risk Indicators (KRIs) are defined and tracked to monitor trends of certain key operational risk parameters. Internal audit and Internal Control teams provide oversight and assurance that activities are conducted as per laid down guidelines.

The Bank has an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement. The Bank has a Whistle blower policy and platform, which is open to employees and

vendors for raising their concerns, with full confidentiality, on any fraud, malpractice or any other untoward activity or event. Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are periodically tested and reviewed to ensure their effectiveness.

Risk transfer via insurance is a key strategy to mitigate operational risk exposure at the Bank. The Operational Risk team helps to review and provide inputs on key insurance coverage basis trends and triggers emerging from unusual events or changes in risk profile basis introduction of new products or developments in the external environment.

The Bank has a Board approved Outsourcing policy which is aligned with the RBI Guidelines on outsourcing of financial services. While engaging the services of any Service Providers the respective business units ensure compliance with the banks outsourcing policy. The Outsourcing Framework is in place which covers process to be followed from vendor on-boarding till the end of vendor engagement. The Bank has a system of risk assessment, standardized score cards for service providers to assess the Materiality and Criticality of vendors. The Review of Vendors is conducted on an annual basis. Critical Audit / IT security observations and incidents related to vendors are monitored.

L. TECHNOLOGY RISKS

The Bank has committed significant resources to manage technology risk. A layered technology architecture is implemented to manage risks due to system failures, cyber-attacks, etc. Disaster recovery and Business Continuity Plans ("BCP") have been established and various functional and technology initiatives have been taken to enhance system resiliency.

End-of-life/out-of-support systems pose operational and security risks such as vendor support, patch, bug fixes, etc. The Bank has a process for planned upgrades of out-of-support systems.

Effective access control mechanism is a key technology control to prevent unauthorised access. The access to business applications is provisioned by an independent team. The access is provided based on the roles and segregation of duties. Technology and Operational controls are implemented to manage privileged access to systems.

Cyber threats and the associated risks in the external environment have increased and the Bank works continuously to improve processes and controls to mitigate these risks. Cyber resilience framework is established to mitigate the threats such as data breaches, malware, denial-of-service attacks, etc.

New digital product offerings are thoroughly assessed for cyber risks prior to roll-out and on an ongoing basis.

During the year, cyber drills were conducted to assess the effectiveness of the prevention and detection controls. Several initiatives were taken to enhance the security monitoring and incident response capability.

Reviews were conducted for assessing the ransomware mitigation controls and Microsoft 365 controls.

The Bank constantly monitors the technology risk environment, emerging regulatory requirements and mitigation strategies.

Ongoing audits/tests are conducted to assess the robustness of its technology controls. Solutions are implemented for continuously monitoring the external threats/vulnerabilities.

M. REPUTATION RISK

Trust is the foundation for the banking industry and is critical to building a strong customer franchise. Reputation risk is the risk of current or prospective loss arising from stakeholder's adverse experience while dealing with the institution, which results in an adverse perception / loss of Trust in the institution. Reputational risk may arise as a result of an external event or actual or perceived actions and practices, which include operational and regulatory compliance failures. The occurrence of such events may adversely affect perceptions about the Bank held by the public, shareholders, investors, regulators and rating agencies. The impact of a risk event on the Bank's reputation may exceed any direct cost of the risk event itself and may adversely impact the Bank. Reputation Risk most often results from the poor management of other risks and can arise from a variety of sources including direct sources like poor financial performance, poor governance and indirect sources like increased operational risk or control failures. Reputation is critical to achieving Group Objectives and targets and damage to it can have negative effects on its business. Managing reputation is a priority area for the Group and there is Zero tolerance for knowingly engaging in any activities that are not consistent with its values, Code of Conduct or policies and have the potential for unacceptable regulatory or reputational risk. The Group ERM policy lays down the framework to ensure reputation is managed effectively and consistently across the Group. This is supplemented by business procedures for identifying and escalating transactions that could pose material reputation risk, to senior management. Each employee has the responsibility to consider the impact on reputation of the Group, when engaging in any activity. The framework seeks to proactively identify and avoid areas that may result in potential damage to reputation and guidelines for managing crisis situations, if a reputation risk incident has occurred. The reputation risk management process is integrated with the Internal Capital Adequacy Assessment Process. While reputation risk can be difficult to quantify, the Bank has adopted a scorecard approach, based on expert judgment, to assess various reputation risk drivers and the overall level of reputation risk.

N. CONDUCT RISK

Conduct risk means any action that would cause harm to consumer protection, market integrity or competition. The scope and complexity of banking activities give rise to a wide variety of regulatory requirements and expectations of the supervisory bodies that must be met in relation to Conduct Issues. The Bank has identified conduct risk arising out of: Manipulation of financial benchmarks / markets, Mis-selling, Fair dealing with customers and Compliance with laws of the land. Minimising conduct risk is critical to achieving long term business goals and meeting regulatory standards. The Bank has processes for managing conduct risk and policies that guide staff in dealing with prevention of conflict of interest, employee conduct and dealing with proprietary and confidential information, so that they conduct themselves ethically and in compliance with the law. Conduct risk identification and mitigation are embedded in businesses and functions. Product approval, product review processes, Suitability and appropriateness policies, are some of the measures embedded in the Bank's framework to mitigate conduct risk. Conduct Risk is managed by maintaining a positive and dynamic culture that emphasizes acting with integrity. Respective policies ensure that business decisions are guided by standards that take into account right conduct apart from commercial considerations. Conduct risk management is incorporated into HR practices, including recruiting, training, performance assessment, promotion and compensation processes. The group places zero tolerance on instances of professional or personal misconduct and abiding by the Code of Conduct is the responsibility of all employees in the Bank. Conduct risk is assessed in the ICAAP through a scorecard that considers the various drivers of conduct risk.

O. RISK CULTURE

Culture and values are a priority area for the Group. Risk culture refers to desired attitudes and behaviours relative to risk taking. The governance model places emphasis on accountability and ownership in ensuring an appropriate level of independence and segregation of duties between business and control functions. The management of risk takes place at different hierarchical levels and is emphasized through various levels of committees, business lines, control and reporting functions. The Group embeds a strong risk culture, through clear communication and appropriate training for employees. The objective is to develop a disciplined risk culture where managing risk is a responsibility shared by all employees. The Group only assumes those risks that can be managed, with clear understanding of the implications. Senior Management receives regular and periodic information on various matters for the respective business lines and clearly communicate their plans, strategy and expected outcomes to team members. The Bank has a structured induction programme for new employees to help them in understanding various businesses across the Group and how risk management culture and practices support in building and sustaining the organization. All employees are required to be familiar with risk management policies relevant to their roles and responsibilities and it is their responsibility to escalate potential risk issues to senior management, on a timely basis. The risk culture in the group lays emphasis on responsible business practices, prioritisation of customers' needs and appropriate disclosures. Risk is taken into consideration when preparing business plans and when launching new products. These objectives are backed by suitable policies and processes for implementation.

The Enterprise Risk Management ("ERM") framework outlines the methodology used to manage the risks inherent in its activities, while ensuring the outcomes of risk-taking are aligned with its overall strategy and mandate. The framework reinforces a risk culture across the organization that ensures a high level of risk awareness and makes risk management an integral part of organisational decision-making. The Bank's risk management practices and culture enables it to take the risks necessary to fulfill its mandate while ensuring the organization is financially sustainable.

P. INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ('ICAAP')

Every year, the Group undertakes the Internal Capital Adequacy Assessment Process ('ICAAP'), which provides management with a view of overall risks, assessment and capital allocated to cover the risks. The ICAAP is linked to overall business planning and establishes a strategy for maintaining appropriate capital levels. ICAAP is an assessment of all significant risks (Pillar II), other than Pillar I risks, to which the Group is exposed and covers the consideration of whether additional capital is required, based on internal assessment. Once the risks are identified, the Group determines the method and extent of risk mitigation. Risk mitigation takes place through strengthening policies, procedures, improving risk controls and having suitable contingency plans. Finally, the Group determines the risks that will be covered by capital and the level of capital sufficient to cover those risks. The ICAAP outcomes are reviewed by senior management and formally approved by the Board. The ICAAP is periodically enhanced to include greater detail and more in-depth analysis. The Group was adequately capitalised to cover Pillar I and Pillar II risks.

Q. STRESS TESTING

Stress testing is a key element of the ICAAP and an integral tool in the Risk Management framework as it provides management a better understanding of how portfolios perform under adverse economic conditions. Stress testing is integral to strengthening the predictive approach to risk management and supplements other risk management tools by providing an estimate of tail risks to assess if capital levels are adequate under a forward-looking operating environment and in severe stress scenarios.

The Bank has a Board approved Stress testing policy which is aligned to regulatory guidelines and covers material risks. Indicative stress scenarios are defined in the policy. Liquidity stress tests are also part of this framework and aim to ascertain whether the Bank has recourse to adequate liquidity to withstand the impact of approved stress scenarios. As actual events can sometimes be more severe than anticipated, management considers additional stresses outside these scenarios, as necessary. Reverse stress testing is used to explore extreme adverse events that would cause capital adequacy to fall below the internal capital threshold. While this identifies likely scenarios with an unacceptably high risk, there will be suitable measures to prevent or mitigate these that the Bank may implement.

The results of stress tests are interpreted in the context of the Bank's internal risk appetite for capital adequacy and reported to management and the Board. The stress testing exercise provides an opportunity to develop suitable mitigating response prior to onset of actual conditions exhibiting the stress scenarios. The ICAAP integrates stress testing with capital planning and during the year, the Bank was above regulatory and internal target capital ratios under all approved stress scenarios.

R. PANDEMIC, WAR AND INFLATION

Pandemic-related disruptions of supply chains, manufacturing bottlenecks and general supply and demand conditions, as well as the war in Ukraine, have contributed to high inflation across many countries. Global central banks have hiked interest rates aggressively and some have signaled that interest rates could stay elevated for longer to rein in the still-high inflation. Inflationary pressures may potentially increase certain operating expenses, adversely affect consumer sentiment and consequent higher market interest rates may result in lower values financial of assets and increase borrowing costs and interest paid on deposits. Further, any further material escalation in geopolitical risks such as the Russia-Ukraine conflict and tensions in the Middle East, could aggravate ongoing global economic imbalances while increasing inflation, financial market volatilities and capital flight from emerging markets. With a strong balance sheet and adequate liquidity position, the Group is well positioned to navigate the current economic environment and support its customers.

COMPLIANCE

The Bank has, since inception, a well-established and comprehensive compliance framework and structure to identify, monitor and manage the Compliance Risk in the Bank. The framework, policy and the structure are also adhering to the regulatory prescriptions issued by the RBI and other regulators from time to time. In addition, all key subsidiaries of the Bank have independent Compliance Function. The Compliance officials of the Bank and the Group interact on various issues periodically to ensure that all the supervisory and regulatory instructions are interpreted and implemented in letter and spirit. This also helps exchange of views on the best practices and to understand compliance risks across the group. Guidance or directions are extended to the subsidiary companies' Compliance Officers, keeping in mind the overall responsibility of the Bank as the Holding Company. The Compliance Function is responsible for all the aspects of regulatory compliance across the Bank. Compliance is given the utmost importance with the tone from the Top and the Senior Management of the Bank and subsidiaries are directly monitoring the same.

The compliance framework, approved by the Board, broadly sets out the compliance risk management processes and tools to be used by businesses, management and Compliance Officers for managing compliance risks. Apart from the Bank's compliance framework, the Bank and all the subsidiaries have their own operating procedures. The Compliance team supports top management and manages and supervises the compliance framework along with providing compliance assistance to various businesses/support functions. The Bank has a Board approved New Products/Process approval policy and all new products/processes or modifications to the existing product/processes are approved by Compliance by satisfying that these products/processes are compliant with not only various RBI regulations but that of other financial services regulators, including the SEBI, the IRDAI and the PFRDA. As prescribed by the RBI, the Bank has a system of compliance review of its new products within six months of its launch to satisfy that all the regulatory prescriptions have been adhered to. These Review reports are issued to the concerned businesses / Product Heads.

The Compliance Department ensures that the applicable regulatory prescriptions including Anti-Money Laundering / Combating Financing of Terrorism / KYC aspects are dovetailed in to the new products / process notes. Compliance Department's senior executives are members of various committees, which enable them to monitor the compliance risk of the institution effectively.

The Compliance Department monitors the changes in existing regulations as well as introduction of new regulations. The Bank has put in place Compliance tracking and Monitoring system to ensure that the regulatory instructions are implemented effectively within the organisation. The Bank also looks at regulatory websites and participates in industry working groups that discuss evolving regulatory requirements. In-house compliance newsletter keeps the employees abreast of the key regulatory updates affecting the businesses of the Bank and its subsidiaries. Compliance also disseminates the changes in the regulations by way of compliance alerts to the employees. Training on compliance matters is imparted to employees on an ongoing basis through both online and classroom sessions. The Compliance Department keeps the management/Board informed about important compliance related matters through periodic reporting.

INTERNAL CONTROLS

The Bank has put in place adequate internal controls, driven through various policies and procedures, which are reviewed periodically. Businesses have an Internal Risk Control Unit or Internal Controls functions to assess the efficacy of the control designs placed to mitigate identified risks and to identify new risks. Senior officers of the operating and business units, also monitor the mitigating measures taken.

The Bank has an Internal Audit (IA) function that is responsible for independently evaluating the adequacy and effectiveness of all internal control designs and implementation, risk management, governance systems and processes. IA is manned by appropriately skilled, experienced and qualified personnel. This team of IA includes qualified Information technology, data security and cyber security related risks personnel as well.

The Internal Audit department and Compliance function ensure business units adhere to internal processes and procedures as well as to the regulatory and legal requirements and provide timely feedback to Management for corrective action. The audit function also proactively recommends improvements in operational processes and service quality, wherever necessary. The Bank takes corrective actions to minimise the design risk, if any.

The IA department adopts a risk based audit approach in congruence to the RBI Guidelines on Risk Based Internal Audit (RBIA). Audits are conducted across various businesses and functions i.e. Consumer, Commercial, Wholesale, Treasury (for domestic and overseas businesses). This includes audit of Operations units, Risk and Support functions, Information Security Audits, Information Technology audits, IT Governance and Infrastructure audits, etc. These are conducted to independently evaluate the adequacy and effectiveness of internal controls on an ongoing basis and pro-actively recommending enhancements thereof.

An oversight on the critical areas of operations is also kept through continuous off-site monitoring (COM) using centralised data led analysis and exception monitoring within IA. Further, using a risk based approach, critical units of the Bank including retail branches are subjected to Independent Concurrent Audit process in line with the RBI guidelines. These concurrent audits are conducted through reputed external CA / consultancy firms under the supervision of IA

team of the bank. The senior leadership and the Audit Committee of the Board regularly review the IA reports and concurrent audit reports along with COM findings and their remediation.

The IA function ensures dynamic reviews of risk classifications of auditable areas and IT elements within the bank in preparing its Risk-Based Audit Plan and calendar. These reviews take into consideration the banks' overall strategic plans, changing IT landscape, risk trends as well as risk classifications evaluated periodically by the Strategy, Risk and Information Risk management functions of the bank.

Proactive and collaborative work practices amongst Compliance, Risk, Fraud Control and Internal Audit functions of the bank are ensured using cross-functional committee representations for these functions.

To ensure Independence, the Internal Audit function has a reporting line to the Audit Committee of the Board with a dotted line reporting to the Whole-Time Director of the bank. The Audit team and the Compliance team undergo regular training both in-house and external to build the required subject matter expertise across domains of business, risks, technology and regulations. The Audit Committee of the Board reviews the effectiveness of controls, compliance with regulatory guidelines as also the performance of the Audit and Compliance functions in the Bank and provides guidance and direction that may be required.

HUMAN RESOURCES

As on 31st March, 2024, the full-time employee strength of Group was over 116,000 as compared to over 103,000 Kotakites a year ago. The Bank standalone had over 77,900 employees as on 31st March, 2024.

In FY 2023-24, there was an increased focus on people process automation, employee wellness, engagement and development. With its focused efforts and colleague* centric initiatives, the Bank has been recognised among Top-25 Best Workplaces in BFSI by Great Place to Work™ (India) 2024. The Bank also introduced Five Pillars of Employee Engagement. These include - Best of Kotak for Kotakites, People Development, Recognizing and Celebrating Our Colleagues, Transparent Communication, and Colleague Value Proposition.

Key areas where several employee initiatives were introduced and re-engineered are as follows:

A. DIVERSITY AND INCLUSION:

- The Bank is committed to providing an inclusive work environment, with gender diversity being a key vector. Currently, we are at 26.24% gender ratio. Several initiatives are being taken in this direction.
- The Bank has tied up with a leading day care benefit management provider to provide crèche facilities under its Day Care Policy to set up a reliable support system to take care of their children while they are working. In FY 2023-24, 516 Kotak Wonder Women (KWW) availed the benefit under the policy.
- The Bank offers a travel policy to provide higher level entitlements for women colleagues and bear travel expenses for a caregiver, if she is travelling with an infant of up to 1 year of age.
- The Bank continued supporting KWW during significant life phases through our unique New Mother Benefit Policy for KWW. The policy aims to provide assistance to KWW returning to work. It supports in setting up a reliable support system for them to take care of their infants. In FY 2023-24, 117 KWW availed the benefit under the policy.
- The Bank also organized KWW "Meet All" sessions to provide women colleagues an opportunity to network and excel as a group.
- As an equal opportunity employer, the Bank ensured that there is significant women participation in the workforce. Multiple campaigns were organised across businesses to promote women membership and hired fresh women graduates from campuses. 1,768 women were hired with STEM qualifications. The average age of women new joiners was 27.2 years.
- The Bank celebrated International Women's Day 2024 on the universal theme #InspireInclusion. The day was observed in offices and branches pan India. The highlights were – (i) Launch of cab facilities for women colleagues commuting from the office to the residence post 7:30 PM; (ii) Special Reward and Recognition program focused on recognizing efforts made towards inclusivity at the workplace; and (iii) Showcasing of stories of women colleagues covering their views towards important aspects of their professional life.

B. PEOPLE DEVELOPMENT: The Bank continues to focus on colleague development through continuous learning initiatives, skill development, culture sensitization, managerial capability interventions and more such important areas.

- The Bank launched Kotak MyLearn- a new-age AI-based learning experience platform, with a dedicated focus on continuous learning.
- The Bank's flagship managerial capability development program-DRONA, aims to address managerial capability in four impact areas - Managers as Assessors, Trainers, Mentors and Coaches.
- The Executive Education program for employees, in collaboration with IIM Campuses was launched, to develop the banks mid-level high performing talent.
- The Bank also launched the 5th cohort of Quantum Leadership, a senior leadership program aimed at developing strategic thinking while dealing with a disruptive environment. Coaching Connects were introduced for N-1 and N-2 leaders to support them in navigating the challenges in their current role and prepare them for the next role.
- In FY 2023-24, 94% of Bank's employees were covered in at least one learning intervention.

- The Bank actively engages with young talent through this flagship initiative- Kotak Young Leaders Council, where young Kotakites become change makers and thinkers. It is a valuable learning opportunity where the chosen few who become the council get to interact with the leadership team and work as a cohort with them. Top 42 applicants across the bank were selected through a rigorous selection process and are being mentored by KLT and go through specific IDP.

C. COLLEAGUE ENGAGEMENT INITIATIVES:

- **Eureka** is an idea generation portal where colleagues can submit open ideas or ideas for specific business problems. The Bank launched a dedicated program named 'Ops Transformation' under Eureka. This was a challenge for the Operations Function identifying problem areas and proposing solutions to issues relating to optimum cost utilization, improvement in productivity, process transformation, digital innovation and better customer experience. The program generated 153 ideas, out of which 50 were selected for implementation.
- **My Kotak My Say:** The Bank has been strengthening the platform for top-down communication. At the same time, the Bank has created a listening opportunity for Kotakites to voice through, 'My Kotak My Say', a bi-annual employee engagement survey conducted in collaboration with 'Great Place to Work Institute'. My Kotak My Say Survey was conducted for the 4th time in December 2023. An overall 82% response rate organization-wide was recorded. 79% of Kotakites (same as the previous year) believe that Kotak is a Great Place to Work®! The Bank has also been certified as 'One of India's Top-25 Best Workplaces in BFSI by Great Place to Work® Institute (India) 2024.
- **K-Applaud Policy:** The Bank has encouraged a culture of appreciation via monetary and non- monetary reward programs through K-Applaud, Kotak's Rewards and Recognition platform. The platform is available to colleagues on the Kotak Worklife Mobile App / Portal. Colleagues can appreciate their peers and can also avail discounts on various brands on the platform.
- **Foundation Day:** The Bank celebrated 38 years of Kotak Foundation Day, virtually, on 21st November, 2023. The Bank also launched a 21-day challenge to encourage managers to initiate fun activities and engagement within their teams, ahead of the 38th Kotak Foundation Day. As part of the celebrations Kotak Karnival a dynamic and colourful event was organised across 10 large offices nationwide, to commemorate our 38th Foundation Day. This included fun events, talent showcase by our colleagues as well as fun treats for all attendees.
- **Colleague Experience:** The Bank continues to focus on driving a better experience. During the year, the Bank launched and revamped several modules in line with the Mobile First approach. Eureka platform has been revamped with an aim to drive innovation and a digital first mind-set across the organization. The Kotak Worklife app continued to witness increased adoption. The Bank also deeply values colleague feedback and involvement in the development of new ideas and methodologies, which is critical for continuous improvement and business performance. Amber, a smart assistant tool, is a prime example of this ethos in action. By regularly engaging with colleagues at various stages of their tenure, Amber collects valuable insights directly from the workforce. In FY 2023-24, Amber was piloted for the Consumer Bank Division and has been rolled out PAN Bank in FY 2024-25.
- **Caring Kotakite (Volunteering):** The Bank firmly believes that every colleague can make a significant positive impact in the communities it serves. Driven by this conviction, the Bank introduced the 'Caring Kotakite' Volunteering policy, which is inclusive, impactful, and aligned with the Bank's core values.

D. COLLEAGUE HEALTH AND WELLNESS: The Bank has sustained focused Health and Wellness initiatives. These cover physical, social, financial and emotional wellbeing.

- Various health and wellness related initiatives are in place through online and onsite interactions such as yoga, meditation, zumba, quiz sessions, etc. The Bank also has Doctor Consultation; Nutritionist and Emotional Assistance Program along with discounts on Pharmacy, on its Health to the Power Infinity site. Doctors and Nutritionists are also available on call and in-house.
- The Annual Health Check (AHC) program, initiated for this Financial Year in June 2023, witnessed good participation from eligible workforce. This program is applicable for colleagues above the age of 40 years, and offered at a discounted rate to other colleagues and their families.
- The Bank offers coverage to all Kotakites under Term life, Personal accident policy and Mediclaim policy.
- The Bank continued the Emotional Assistance Programme to support and guide Kotakites emotionally. These services can be availed by their family members as well.

Talent Engagement continues to be a key strategic priority for us. Towards this, we have introduced 5 pillars guiding our approach to Talent Engagement.

- **The Best of Kotak for Kotakites -** To uplift the proposition from a corporate salaried segment perspective to ensure the best we would offer to any external customer, and also to improve benefits
- **People Development -** to bring in specific focus on development and growth agenda for identified talent personas that include Leaders, KWWs (women), Hi-performers, branch managers, specialist/ niche talent, new hires, and a common minimum for the rest
- **Culture of Appreciation -** Aim is to celebrate and reward outstanding performances and contributions, with greater consistency of experience across the Bank.
- **Transparent Communication –** strengthen the agenda on communication, and communication channels, and make it an ongoing habit by leaders This includes regular update emails from CEO/CHRO/other CXOs, periodic townhalls, planned launch of a new intranet for colleagues
- **Colleague Value Proposition -** Aimed at enhancing the purpose and pride of what it means for every colleague to work with Kotak, with specific focus on the target talent personas

Attrition Management:

The overall attrition FY 2023-24: 39.6% as against FY 2022-23: 45.9%. Higher attrition was observed primarily in field sales personnel and contact centre.

Steps taken by management to reduce attrition

- In an effort to improve the Bank's attrition rate and enhance engagement, multiple initiatives have been introduced and strengthened throughout the year to address three major areas: Career Growth, Salaries and Benefits, and Manager/Management Style.
- Regarding Career Growth, the Bank has strengthened its current career programs for frontline, relationship roles, and the Customer Experience Centre (CEC). The 'Ascend program' was launched for Branch Relationship Managers and Elite Relationship Managers (up to M3 grade). The 'Career Fair/ ACES program' was introduced for frontline roles (Assistant Area Managers) in Emerging Markets. The 'RACE reloaded' program was launched for acquisition roles, leading to role changes across Retail Liabilities sales. The 'PROPEL program' aims at frontline roles in Corporate Salary, while the 'GROW program' offers compensation rises based on Sales and Operations Performance (SOP), tenure, and role, running twice a year for individual contributors in CEC and Virtual Relationship Managers.
- In terms of Salaries and Benefits, the Bank introduced fixed incentives for the first six months in select businesses, implemented compensation fitment for employees with a higher focus on Branch Managers, Area Managers at mid-level, and select senior levels. Additionally, coaching sessions and booster incentives were provided to improve colleague stickiness.
- Addressing Manager/Management Style, the Bank launched the 'DRONA' (Managerial Coaching) Training program to train supervisors on supervisory skills. Transition Journeys have been introduced to enable new hires and new managers, and Key Leadership Connects, including Pan India Town halls and Regional Level Connects, have been organized.
- Also, Amber- the Bank's conversational AI assistant to the CHRO was introduced in the Consumer Bank segment to ensure continuous gathering of colleague pulse and take immediate action to address colleague concerns, including pre and post-exit connects.

Through these comprehensive initiatives, the Bank aims to foster a more engaged and committed workforce, ultimately reducing attrition rates and enhancing overall experience.

**Colleague refers to all employees on full time (permanent and fixed term contracts) and part time roles.*

TECHNOLOGY

The Bank has noteworthy advancements in the areas of Growth & Transformation and Risk & Resiliency, which have resulted in a number of projects being executed across these two themes. Furthermore, the Bank has led the way in embracing digital innovation and top-tier engineering talent to provide customer-centric solutions and operational excellence in a time when technology is changing the banking industry.

On Risk & Resiliency, the Bank has shown significant improvement in uptime and stability metrics for critical applications. Architecture review board is now in place and Cloud 2.0 architecture blueprint with best practices for information security and operational resiliency is functional for all new initiatives. The firm has invested and implemented an enterprise service management tool for asset and inventory management, and change management.

On the theme of Grow & Transform, various customer journeys were launched in Consumer and Commercial banking space including journeys for small business loans, top up loans and corporate salary customers. Additionally, the Bank hired more than 500 highly qualified and experienced engineers to strengthen its technological foundation.

In order to improve customer service, the legacy tool has been replaced with a state-of-the-art platform called K Force, which has resulted in notable gains in customer feedback and responsiveness.

The Bank will continue to invest to fortify its IT systems. The primary focus is on accelerated execution of the comprehensive plan for core banking resilience, continued demonstration of sustainable compliance to cyber security controls and strengthening of digital payment security controls.

Technological Initiatives:

The Bank's unwavering commitment to technological advancement is evidenced by its strategic initiatives aimed at enhancing customer experience and operational efficiency. The Bank has heavily invested in cutting-edge technologies such as artificial intelligence and data analytics, to enable risk management, fraud detection, and personalized services.

- Launched cloud-based vehicle loan origination system with in-house technical capabilities to enable digital onboarding and streamlined loan application and approval process. Customers can now complete the loan application process online with minimal paperwork, enhancing user experience.
- Launched 811 Mobile Application with favourable ratings on app store and play store.
- Implementation of Aadhar seeding allowed 811 accounts to function as consumers' primary accounts, to ensure larger Government Direct Benefit Transfer share.
- Deployment of new eMBark platform – marking a crucial stride towards bolstering resilience and in-house development.
- More than 25 apps were built on the cloud this year using Cloud 2.0 principles and governance. eMBark, RTS, ROS, call audit platform, to name a few.

Digital Transformation

The digital transformation journey of the Bank is anchored on the pillars of innovation, agility, and security. The bank has enhanced its digital platforms to offer customers seamless Omni channel experience, to streamline banking procedures, to enable instantaneous fund transfers, to enable digital account opening, and to provide secure authentication mechanisms. In addition, the Bank's digital infrastructure has been strengthened by the use of strong cybersecurity protocols, guaranteeing the integrity and confidentiality of client data.

- The bank has implemented a cloud-based micro services architecture powered by Fin Mechanics for Rates FRA product. This replaces a legacy on premise monolith system.
- To simplify the on boarding of CMS (Cash Management) customers, Instant CMS as an option to fyn (Banks corporate trading portal) customers.
- Introduction of V-KYC module for personal loans eliminated the need to physically meet customers and significantly cut turnaround time.
- In line with overall digital ecosystem growth across the country and UPI being the centre of it, bank Enabled customers to transact via their Rupay Credit Card on UPI channel
- Digital route enabled for opening of Current Account through RM assisted journey for Public Limited, Private Limited and Limited Liability Partnership

Process Optimization

- AI-Powered Efficiency: Call audit engine AI model actively auto audits calls, reducing manual workload analyzing calls across consumer, commercial and ARD, businesses
- Observability initiative to proactively monitor core banking systems via a platform initiative for monitoring both Whitebox and Blackbox metrics for all Critical Apps across Kotak
- Advanced security controls like micro segmentation /Web application firewall / Database Activity Monitoring / File Integrity Monitoring implemented across applications
- Trade finance and Trade ops platform was upgraded and aligned to support the new Swift standard in full. This enhanced banks capabilities in the international bank guarantee business allowing to offer customers better service levels to deliver bank guarantees in the hands of the beneficiaries

Enhanced Customer Engagement

Leveraging technology to foster deeper customer engagement, the Bank has introduced a range of digital solutions to cater to the evolving needs of customers.

- The Bank launched the integration of New To Bank (NTB) and Do-It-Yourself (DIY) journeys with Myntra as part of an exclusive partnership
- In Financial Inclusion Savings Account on-boarding application, changes have been implemented to digitize and go paperless
- The Kotak MB App continues to be an excellent one-stop shop for customer banking needs. Not only were various new features launched, but the Bank also has further strengthened the security aspects for fraud monitoring/prevention. On net banking, enhancement of user experience and providing new services continued to be key focus areas

BANK'S BUSINESS STRATEGY

Refer section Strategy on page 36 for bank's business strategy.

SAFE HARBOUR

This document contains certain forward-looking statements based on current expectations of the Bank's management. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and government policies that may impact the businesses of Kotak Group as well as its ability to implement the strategy. The Bank's management does not undertake to update these statements.

This document does not constitute an offer or recommendation to buy or sell any securities of the Bank or any of its subsidiaries and associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by Kotak Group, including but not limited to units of its mutual fund, life insurance policies and general insurance policies.

All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. The performance of the sponsor, Kotak Mahindra Bank Limited, has no bearing on the expected performance of Kotak Mahindra Mutual Fund or any schemes there under.

Figures for the previous year have been regrouped wherever necessary to conform to current year's presentation.

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the company	L65110MH1985PLC038137
2.	Name of the Listed Entity	Kotak Mahindra Bank Limited
3.	Year of incorporation	21st November, 1985
4.	Registered office address	27BKC, C-27, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051
5.	Corporate address	27BKC, C-27, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051
6.	E-mail	esg.connect@kotak.com
7.	Telephone	(022)-6166 1615
8.	Website	https://www.kotak.com
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	INR 993.96 Crore
12.	Name and Contact Details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Chaitanya Kommukuri esg.connect@kotak.com
13.	Reporting boundary	The disclosures under this report are made on standalone basis for Kotak Mahindra Bank Limited and includes all offices, branches and ATMs where we have operational control
14.	Name of assurance provider	Price Waterhouse Chartered Accountants LLP
15.	Type of assurance obtained	Reasonable Assurance of BRSR Core as per SEBI guidelines Limited assurance on additional select Indicators

II. PRODUCTS/ SERVICES -

16. Details of business activities: (accounting for 90% of the turnover)

Sr. no.	Description of main activity	Description of business activity	% of turnover of the entity
1	Corporate/ Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.	37.5%
2	Retail Banking	Comprises - 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 retail lending, deposit taking and other retail services/ products other than above.	45.8%
3	Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.	16.7%

17. Products/ Services sold by the entity: (accounting for 90% of the entity's Turnover)

Sr. no.	Product/Service	NIC Code	% of total turnover contributed
1	Corporate/Wholesale Banking, Retail Banking, Treasury, BMU and Corporate Centre	64191	100%

III. OPERATIONS –

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1948 (Branches)	207 (Corporate Office)	2155
International	2*	-	2

**Located in DIFC, Dubai and GIFT City, Gujarat*

19. Markets served by the entity

a. Number of locations:

Locations	Number
National (No. of States)	30 (including Union Territories)
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Kotak Mahindra Bank does not export any products/services. Thus, this question is not applicable.

c. A brief on types of customers

We serve a diverse array of customers through our various business activities including consumer banking, commercial banking, wholesale banking, custodial services, private banking and asset recovery. For more information, please refer to our Business Overview section on page 14.

Our customers encompass individuals, corporations, government entities, trusts and societies, as well as sole proprietorships and partnerships, etc.

IV. EMPLOYEES -

20. Details as at the end of Financial Year:#[1]

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
	Employee					
1	Permanent (D)	60,438	44,401	73.5%	16,037	26.5%
2	Other than Permanent (E)	17,485	13,130	75.1%	4,355	24.9%
3	**Total employees (D + E)**	**77,923**	**57,531**	**73.8%**	**20,392**	**26.2%**
	Workers					
4	Permanent (F)	The Bank does not employ any workers; accordingly, worker related KPIs are nil and the same have not been included in any of the prescribed tables in the BRSR.				
5	Other than Permanent (G)					
6	**Total Workers (F + G)**					

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
	Differently Abled Employees					
1	Permanent (D)	**25**	**18**	**72.0%**	**7**	**28.0%**
2	Other than Permanent (E)	**0**	**0**	**-**	**-**	**-**
3	**Total employees (D + E)**	**25**	**18**	**72.0%**	**7**	**28.0%**
	Differently Abled Workers					
4	Permanent (F)	Not Applicable				
5	Other than Permanent (G)					
6	**Total Workers (F + G)**					

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

21. Participation/Inclusion/Representation of women:# [1]

	Total (A)	No. and percentage of Females No. (B)	% (B / A)
Board of Directors	12	2	16.7%*
Key Management Personnel (KMP)	5	2	40.0%

**Gender diversity of Board of Directors is 27% as on date of publishing of this report.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

[1] GRI 2-7, GRI 2-8, GRI 405-1

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)[#2]

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.6	39.7	39.6	45.3	47.8	45.9	38.7	40.0	39.0
Permanent Workers	Not Applicable								

[#] *Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.*

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES) -

23. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kotak Mahindra Prime Limited	Subsidiary	100.00%	BRSR boundary is limited to the Bank on a standalone basis. While subsidiaries form part of Group's voluntary disclosures on business responsibility they do not form part of BRSR.
2	Kotak Mahindra Investments Limited	Subsidiary	100.00%	
3	Kotak Infrastructure Debt Fund Limited	Subsidiary	100.00%	
4	Kotak Securities Limited	Subsidiary	100.00%	
5	Kotak Mahindra Capital Company Limited	Subsidiary	100.00%	
6	Kotak Mahindra Life Insurance Company Limited	Subsidiary	100.00%	
7	Kotak Mahindra General Insurance Company Limited (Note 1)	Subsidiary	100.00%	
8	Kotak Mahindra Asset Management Company Limited	Subsidiary	100.00%	
9	Kotak Mahindra Trustee Company Limited	Subsidiary	100.00%	
10	Kotak Mahindra Pension Fund Limited	Subsidiary	100.00%	
11	Kotak Alternate Asset Managers Limited (Formerly known as Kotak Investment Advisors Limited)	Subsidiary	100.00%	
12	Kotak Mahindra Trusteeship Services Limited	Subsidiary	100.00%	
13	Kotak Mahindra (UK) Limited	Subsidiary	100.00%	
14	Kotak Mahindra (International) Limited	Subsidiary	100.00%	
15	Kotak Mahindra Inc.	Subsidiary	100.00%	
16	Kotak Mahindra Asset Management (Singapore) Pte. Limited	Subsidiary	100.00%	
17	Kotak Mahindra Financial Services Limited	Subsidiary	100.00%	
18	IVY Product Intermediaries Limited	Subsidiary	100.00%	
19	BSS Microfinance Limited	Subsidiary	100.00%	
20	Sonata Finance Private Limited (with effect from 28th March, 2024) (Note 2)	Subsidiary	100.00%	
21	Kotak Karma Foundation (Note 3)	Subsidiary	100.00%	
22	Infina Finance Private Limited	Associate	49.99%	No
23	Phoenix ARC Private Limited	Associate	49.90%	

**Percentage of Shareholding includes direct and indirect holdings through subsidiaries*

Note 1: Pursuant to the receipt of all regulatory approvals as applicable, the transaction for acquisition of 70% shareholding in Kotak Mahindra General Insurance Company Limited ("KGI") by Zurich Insurance Company Limited by way of a combination of primary and secondary acquisitions, for a total consideration of approximately ₹ 5,560 crore was completed upon fulfilment of other conditions precedent. Accordingly, KGI has ceased to be a subsidiary of your Bank, with effect from 18th June, 2024. The Bank now holds the remaining 30% of the share capital of KGI. KGI is an Associate Company of the Bank effective 18th June, 2024.

Note 2: 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.

Note 3: On 26th June, 2023, the Bank has incorporated "Kotak Karma Foundation" ("The Foundation") under Section 8 of Companies Act, 2013, as a wholly owned subsidiary for setting up a Centre of Excellence for part of Bank's CSR initiatives. Being a Section 8 company as per terms of articles, the Foundation would operate with restrictions to transfer funds to the parent, hence in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", the Company has been excluded from consolidation.

VI. CSR DETAILS

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes

(ii) Turnover (in ₹): 56,072.0 Crore

(iii) Net worth (in ₹): 96,066.1 Crore

2GRI 401-1

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES -

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:[3]

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place[4] (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY (2023-24)			FY (2022-23)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes E-mail at Kotak Corporate Social Responsibility https://www.kotak.com/en/about-us/corporate-responsibility.html	0	0	Community grievances are received through our NGO partners, in this reporting period no community grievances were reported to us by the NGO partners.	0	0	
Investors and Shareholders	Yes	23	0		35	0	
Employee & Workers	Yes https://kotak.service-now.com/now/sow/home	205	19	Including 45 POSH cases, and 160 other cases	71	18	Including 56 POSH cases and 15 other cases.
Customers	YES https://www.kotak.com/en/customer-service/important-customer-information/banking-policies.html	2,92,085	16,418	The number of complaints reported for FY 23-24 exclude complaints redressed in 0 and 1 day.	2,35,655	11,218	The number of complaints reported for FY 22-23 exclude complaints redressed in 0 and 1 day.
Value Chain Partners		0	-	Vendors route their grievances through the business team that they engage with, there have been no substantial grievances reported in this reporting period	0	0	Vendors route their grievances through the business team that they engage with, there have been no substantial grievances reported in this reporting period
Others (Please specify)							

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.

Please refer to the 'Stakeholder engagement and materiality assessment' section on page 42-45 for details of our material topics. The risks, opportunities and management of the topics have been discussed at length in the respective sections wherein the material topics have been covered.

[3]GRI 2-16 | [4]GRI 2-26

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies | Investor Relations - Kotak Mahindra Bank Banking Policies (https://www.kotak.com/en/investor-relations/governance/policies.html, https://www.kotak.com/en/customer-service/important-customer-information/banking-policies.html) List of relevant policies is mentioned on page 391 of the report and the description of relevant policies is mentioned on page 419-421 of the report.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.			ISO 45001: 2018						ISO 27001: 2022
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Principle 3: We aspire to have women represent at least a third of our workforce								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Please refer to ESG Data Tables (Workforce Breakdown of the Bank) on page 422.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Message from MD and CEO	Please refer to pages 74 & 82 from 'Empowering Colleagues' section and page 63 from 'Embracing Sustainability' section.[1]								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR and ESG Committee") of the Board								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Board level CSR and ESG Committee. Composition given below is as of March 31, 2024, which has since changed. Further details are found in the 'Embracing Sustainability' section of the Integrated Annual Report Mr. C.S. Rajan (Non-Executive Independent Part-time Chairman) Other members: • Dr. Ashok Gulati (Independent Director) • Mr. C Jayaram (Non-Executive Director) • Mr. Ashok Vaswani (Managing Director & CEO)								

[1]GRI 2-22

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Table of Description of Policies (pages 419-421) mentions oversight responsibilities									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Policies of the Bank are approved/reviewed by Bank's Board and/or top management									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					Not Applicable				
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

List of Policies

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Bank's Commitment to Customers; Code of Conduct (Directors); Code of Conduct (Employees); Code of Fair Disclosure of UPSI; Compliance Policy; Compensation Policy; Compensation Policy for Executive Directors; ESG Policy Framework; Enterprise-wide Risk Management Framework; Fraud Risk Management Policy; KYC and Anti-Money Laundering (AML) Policy, Policy for Determination of Materiality of Events or Information; Policy on Dealing with Related Party Transactions; Stress Testing Policy; Vigilance Policy; Whistle Blower Policy
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Apex Information Technology Policy; Fraud Risk Management Policy; Information Security and Cyber Security Policy; Operational Risk Management Policy; Privacy Policy
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Code of Conduct (Employees); Day Care Policy; Diversity Inclusion and Equity Statement; Employee Volunteering Policy; Health, New Mother Benefit Policy; Safety and Welfare at Work-Place Policy; Training Policy; Whistle Blower Policy
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	Diversity Inclusion and Equity Statement; Policy on Board Diversity; Whistle Blower Policy
Principle 5: Businesses should respect and promote human rights	Diversity, Inclusion and Equity Statement; Equal Employment Opportunity Policy; Human Rights and Anti-discrimination Policy; Policy on Sexual Harassment of Women
Principle 6: Businesses should respect and make efforts to protect and restore the environment	ESG Management Systems Plan (EMSP); ESG Policy Framework; Environment Policy; Green Finance Framework; Sustainable Finance Framework
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	ESG Policy Framework; Compliance Policy
Principle 8: Businesses should promote inclusive growth and equitable development	Corporate Social Responsibility Policy; ESG Policy Framework; Employee Volunteering Policy
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Customer's Compensation Policy; Collection of Dues and Repossession of Security Policy; Code of Conduct for Conduct for Collection of Dues - Credit Cards; Fair Practice Code (Bank); Fair Practice Code for Credit Card Operations; Fair Practice Code for Lenders; Fair Practice Code: Microcredit Loans; Information Security and Cyber Security Policy

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:#

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes**
Board of Directors[1]	28	Sessions on Human Resource Management, Corporate Social Responsibility, Financial Inclusion, Customer Service, Cyber Security Awareness, Compliance, Risk Management, Technology, Economic Outlook, Commercial Banking, Strategy and Wholesale Banking	100%
Key Managerial Personnel	10	Sessions on Human Resource Management, Corporate Social Responsibility, Financial Inclusion, Customer Service, Cyber Security Awareness, Compliance, Risk Management, Technology, Economic Outlook, Commercial Banking, Strategy and Wholesale Banking	100%
Employees other than BOD and KMPs	18,133*	Functional skills and knowledge programmes pertaining to skill upgradation, managerial or leadership capability training, culture building, digital technologies and compliance-related trainings	94%
Workers		Not Applicable	

** This number includes 17,245 unique digital learning modules and 888 instructor-led training programmes (classroom).*

*** This represents participants who have attended any of the training programmes on any of the NGRBC principles*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.[2]

Monetary

	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty/ Fine		Reserve Bank of India (RBI)	3.95 crore	RBI vide its order dated October 17, 2023, passed by the Adjudication Committee of Executive Directors of the Reserve Bank of India ('RBI'), imposing a monetary penalty of Rs. 3.95 crore on the Bank for non-compliance with RBI Directions on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', 'Recovery Agents engaged by Banks', 'Customer Service in Banks', and 'Loans and Advances - Statutory and Other Restrictions'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Sections 46 (4)(i) of the Banking Regulation Act, 1949 and emanates from statutory inspections and supervisory evaluation for financial years 2019-20 and 2021-22. The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.	NA

[1]GRI 2-17 | [2]GRI 2-27

	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty/ Fine		Reserve Bank of India (RBI)	10,000	Reserve Bank of India (RBI) vide its mail dated October 25, 2023 had levied a penalty of Rs. 10,000 on Kotak Mahindra Bank, Baddi Branch for deficiencies observed during incognito visit of Senior RBI Official to the branch on September 04, 2023. The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.	NA
Penalty/ Fine		Reserve Bank of India (RBI)	30,000	Reserve Bank of India (RBI) vide its mail dated January 11, 2024 had levied a penalty of Rs. 30,000 on Kotak Mahindra Bank, Sector 9C, Chandigarh Branch for the deficiencies observed during incognito visit of Senior RBI Official to the branch on December 21, 2023. The deficiencies pertained to non-providing of facility for exchange of soiled / mutilated notes to the public, non-display of board indicating the availability of note and coin exchange facility for information of general public and Cash Teller being unaware of the Note Refund Rules. The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.	NA
Penalty/ Fine		Reserve Bank of India (RBI)	10,000	Reserve Bank of India (RBI) vide its mail dated March 01, 2024 had levied a penalty of Rs. 10,000 on Kotak Mahindra Bank, Sonbhadra Branch during incognito visit of Senior RBI Official to the branch on December 14, 2023 for refusal by the Bank branch to exchange mutilated notes. The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.	NA
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/Judicial institution	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment		Nil	Nil	Nil	NA
Punishment		Nil	Nil	Nil	NA

3. Of the instances disclosed in above Question, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our anti-corruption and anti-bribery guidelines are covered as a part of our Employee Code of Conduct. This Code is applicable to all employees (including overseas bank representative offices and overseas branches), whole-time Directors of Kotak Mahindra Bank Limited and its subsidiaries and affiliate companies, whether permanent, part-time and on fixed term contract. The coverage of these guidelines includes aspects related to cash or gifts to an individual or relatives or associates, non-monetary favours, false political or charitable donations amongst others. Please find further details at: https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/code_of_conduct_employee-2972021.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:[1]

	FY 23-24	FY 22-23
Directors KMPs Employees	No such cases have been reported in the current and previous reporting period	
Workers	Not Applicable	

6. Details of complaints with regard to conflict of interest:[2]

	FY 23-24		FY 22-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors Number of complaints received in relation to issues of Conflict of Interest of the KMPs	No such cases have been reported in the current and previous reporting period against any BODs or KMPs.			

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest during FY 2023-24, hence, no corrective action undertaken.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:#

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	35.2	34.4

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

9. Open-ness of business#

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases b. Number of trading houses where purchases are made from c. Purchases from top 10 trading houses as % of total purchases from trading houses	KMBL does not engage in transactions with trading houses, dealers, and other such parties.	
Concentration of Sales	a. Sales to dealers / distributors as % of total sales b. Number of dealers / distributors to whom sales are made c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in*	a. Purchases (Purchases with related parties / Total Purchases)	9.4%**	6.6%
	b. Sales (Sales to related parties / Total Sales)	2.8%	2.6%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.1%	0.3%
	d. Investments (Investments in related parties / Total Investments made)	2.7%	3.6%

*** 99.7% of transactions by value is with subsidiaries only, which is in line with previous year.*

**Notes-*

Note 1: In the absence of any definition in the BRSR, the Bank has considered the following definition of a trading house: "A trading house is a business that specialises in facilitating transactions between a home country and foreign countries." There were no purchases from trading houses in FY 23-24.

1 GRI 205-3

2 GRI 2-15

Note 2: The Bank does not make any sales to dealers/distributors. The Bank's products and services are offered to customers directly.

Note 3: Refer to the Bank's disclosures on Related Party Transactions (RPT) provided in Schedule 18 forming part of the Audited Standalone Financial Statements of the Bank. RPT relevant to the required disclosures have been considered for reporting in the table above.

Note 4: For the numerator, the following RPT categories have been considered as purchases: 'fixed assets purchased from and expenses for receiving services from related parties. For the denominator, i.e. total purchases, which includes Operating Expenses (with exclusions) under Schedule 16 and Addition to Fixed Assets under Schedule 10 of the Audited Standalone Financial Statements of the Bank has been considered.

Note 5: For the numerator, the following RPT categories have been considered as sales: 'income from services rendered to' and 'dividend received from related parties'. For the denominator i.e. total sales, Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) under Schedule 14 of the Audited Standalone Financial Statements of the Bank has been considered.

Note 6: Total investments made and total loans and advances have been considered as per Schedules 8 and 9 respectively of the Audited Standalone Financial Statements of the Bank.

Note 7: Sales include Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) earned under Schedule 14 of the Audited Standalone Financial Statements of the Bank.

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

LEADERSHIP INDICATORS

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programs held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programs
The majority of our outsourced vendors are required to adhere to a code of conduct for service providers, which is incorporated as part of the standard service contract with the objective of creating awareness on ESG and articulating our expectations from our vendors on ESG.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, we have implemented processes to avoid/manage conflict of interests involving members of the Board.

i. Every Director on the Board is required to make disclosure of his / her interest or concern in other entities (under Section 184 of the Companies Act, 2013 as also the parties to which such Director is related to (as under Section 2(76) of the Companies Act, 2013 and other laws applicable to the Bank). Such disclosure is required to be made as and when a Director attends the first Board Meeting after his/her appointment on the Board and, thereafter, at every first Board Meeting held in a financial year as well as within 30 days from any change in the disclosure previously given by such Director.

ii. Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Bank, does not participate in the discussion and passing of the resolution thereon.

iii. The Bank has also put in place necessary mechanism and has formulated a Policy on Dealing with Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. This Policy provides a framework to ensure proper identification, approval and reporting of Related Party Transactions. Such transactions would be appropriate only if they are in the best interest of the Bank and its members.

iv. All transactions with Related Parties of the Bank are previously approved by the Audit Committee of the Bank. The Audit Committee also grants Omnibus Approval for Related Party Transactions of a recurring nature. Related Party Transactions, if not in the ordinary course or not at arm's length, are placed before the Board (based on the Audit Committee's recommendation) for its consideration and approval. If such transactions (which are placed before the Board of Directors) breach the threshold limits prescribed under Section 188 of the Companies Act, 2013 or if any transaction with a Related Party is material in nature as prescribed under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, such transactions are also put up before the shareholders for their consideration and approval.

v. At the Audit Committee, only the Independent Directors who are members of the Audit Committee, consider and approve the transactions with related parties. At the Board, only those Directors who are not parties to the transaction(s) or arrangement(s) in subject or those who are not interested or concerned therein, participate to consider them. The interested Directors neither remain present nor do they vote on the resolution of Related Party Transaction. While seeking Shareholders' approval, no Related Party of the Bank, whether party to a particular transaction or not, votes to approve such transaction.

vi. In terms of Regulation 20 of the Banking Regulation Act, 1949, the Bank does not extend any loans or advances on the security of its own shares, or commit to grant any loan or advance to or on behalf of its Directors, any firm in which a Director is interested as partner, manager, employee or guarantor, or any company or its subsidiary or holding company where Director of the Bank is a Director, Managing agent, manager, employee or guarantor or in which he holds substantial interest (as defined in Section 20 of the Banking Regulation Act, 1949), or any individual in respect of whom a Director of the Bank is a partner or guarantor.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D Capex	As we operate in the financial services industry, this is not applicable		

2. a. Does the entity have procedures in place for sustainable sourcing?

Kotak Mahindra Bank's Code of Conduct covers aspects on Human Rights, Health and Safety, Operational Eco-efficiency, etc., and indicates applicability to the Bank's vendors. Besides this, a focused Code of Conduct for service providers' forms part of the service agreements with outsourced vendors.

b. If yes, what percentage of inputs were sourced sustainably?

As a financial services organisation, our direct consumption of consumables and input materials is limited. We strive to improve energy efficiency, use cleaner sources of energy, and reduce paper consumption to a minimum. We expect our vendors to comply with our Code of Conduct for service providers which includes aspects on Human Rights, Health and Safety, Operational Eco-efficiency, etc. All service contracts that were proposed to be signed and renewed in FY 2023-24 included the Code of Conduct for service providers as an annexure

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a financial services organisation and by the virtue of the services we offer, there may not be direct significant impacts to waste generation. However, we have undertaken measures such as partnering authorised waste management vendors to recycle our e-waste, installing Organic Waste Composters (OWCs) across six of our corporate offices to convert our wet waste generated to manure, and have a buyback policy in place for batteries. Please find further details of our approach to waste management on page 68 of the 'Embracing Sustainability' section.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, as we are a financial services company, the waste generated is incidental to providing the banking service. Therefore, Extended Producer Responsibility (EPR) is not applicable to our activities. As per the E-waste Management Rules, 2022, bulk consumers shall ensure that e-waste generated by them is handed over only to a registered producer, refurbisher, or recycler, and segregated waste is sent to authorized waste processing/ disposal facilities/deposition centers, either on its own or through an authorized waste collection agency. Kotak recognises its responsibility as a bulk consumer and disposes its e-waste through CPCB/SPCB-authorized recyclers.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk concern	Action taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 23-24	FY 22-23
Not Applicable		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed**

	FY 23-24			FY 22-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) E-waste Hazardous waste Other waste	Not Applicable					

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. **Measures undertaken for Employee Wellbeing**

a. **Details of measures for the well-being of employees:#**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	44,401	44,359	99.9%	44,358	99.9%	NA	NA	44,401	100.0%	-	-
Female	16,037	16,018	99.9%	16,018	99.9%	16,037	100.0%	NA	NA	16,037	100.0%
Total	**60,438**	**60,377**	**99.9%**	**60,376**	**99.9%**	**16,037**	**26.5%**	**44,401**	**73.5%**	**16,037**	**26.5%**
Other than Permanent employees											
Male	13,130	13,123	99.9%	13,123	99.9%	NA	NA	13,130	100.0%	-	-
Female	4,355	4,351	99.9%	4,351	99.9%	4,355	100.0%	NA	NA	-	-
Total	**17,485**	**17,474**	**99.9%**	**17,474**	**99.9%**	**4,355**	**24.9%**	**13,130**	**75.1%**	**-**	**-**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

b. **Details of measures for the well-being of workers:**

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers Male Female **Other than Permanent Workers** Male Female **Total**	Not Applicable										

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format#**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.2%	0.2%

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24..

2. Details of retirement benefits, for FY 2023-24 and FY 2022-23#[1]

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	99.9%	Not Applicable	Y	99.6%	Not Applicable	Y
Gratuity**	77.5%		Y	76.4%		Y
ESI	0.0%		N	0		N
Other	Not Applicable		Not Applicable	Not Applicable		Not Applicable

** Employees based in Dubai are not covered under PF in India*

***Employees under fixed-term contract are excluded from Gratuity, if their employment is for the fixed period below the gratuity eligibility limits.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees any workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Nine of our largest offices with capacity to accommodate more than 17,000 employees have been equipped with disability friendly infrastructure. More than 600 branches and more than 950 ATMs have disability friendly entrances making them accessible to both our employees and customers who are Persons with Disabilities (PwD).

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we have an equal employment opportunity policy, which is in line with the Persons with Disability Act (PwD), 2016. Our commitment to Equal opportunity is also articulated in the Code of Conduct found here- https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/code_of_conduct_employee-2972021.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave#[2]

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.0%	59.6%	Not Applicable	
Female	99.4%	54.8%		
Total	**99.8%**	**58.3%**		

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees Other than Permanent Employees	Yes. An online ServiceNow tool, HR helpdesk mail box or through HR Relationship Manager on email. Our non-permanent employees can reach us through the same modes described above.
Permanent workers Other than permanent workers	Not Applicable

[1] GRI 201-3

[2] GRI 401-3e

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:#3

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**60,438**	**1,385**	**2.3%**	**56,115**	**1,522**	**2.7%**
- Male	44,401	1,012	2.3%	41,505	1,120	2.7%
- Female	16,037	373	2.3%	14,610	402	2.8%
Total permanent workers	Not Applicable					
- Male						
- Female						

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

8. Details of training given to employees and workers:#4

Category	FY 2023-24*					FY 2022-23*				
	Total (A)	On Health and Safety measures		On Skill Upgradation		Total (D)	On Health and Safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	57,531	27,616	48.0%	53,831	93.6%	54,093	15,647	28.9%	49,941	92.3%
Female	20,392	9,828	48.2%	19,191	94.1%	19,388	6,515	33.6%	18,160	93.7%
Total	**77,923**	**37,444**	**48.1%**	**73,022**	**93.7%**	**73,481**	**22,162**	**30.2%**	**68,101**	**92.7%**
Workers	Not Applicable									
Male										
Female										
Total										

**In both the financial years, we have only considered training data for employees onboard as on 31st March of the reporting year.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

9. Details of performance and career development reviews of employees and workers*#5

Category	FY 2023 – 24			FY 2022 - 23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employee						
Male	44,401	37,152	83.7%	41,505	32,091	77.3%
Female	16,037	13,558	84.5%	14,610	11,471	78.5%
Total	**60,438**	**50,710**	**83.9%**	**56,115**	**43,562**	**77.6%**
Workers	Not Applicable					
Male						
Female						
Total						

**All employees who are eligible for performance appraisal underwent career development reviews. Temporary/contractual employees and employees on probation are not eligible for performance review.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

[3]GRI 2-30
[4]GRI 403-5, 404-2
[5]GRI 404-3

10. Health and safety management system:# [6]

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have an occupational health and safety management system (ISO 45001:2018) implemented for six of our larger corporate offices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

An occupational health and safety management system (ISO 45001:2018) is in place, and the OHSMS manual serves as a comprehensive guide that outlines the governance framework and an action plan for conducting audits by the oversight team. The manual also clearly defines the scope and responsibilities of the teams tasked with overseeing the OHSMS. A monitoring plan takes into account factors including parameters measured, locations, scope and the methods used. The senior management is responsible for overseeing the evaluation of OHS performance and determining its effectiveness. Hazard Identification and Risk Assessment (HIRA) exercise as per the requirements of ISO 45001:2018 standard is conducted, where all the work-related hazards are identified and risks on a routine and non-routine basis are assessed, and their mitigation/preventive measures tabulated. The non-routine jobs are maintenance activities and extension of the premises etc. HIRA is reviewed annually or in light of any incident and revised accordingly if required. The updated HIRA is then circulated to all the relevant premises to ensure that the knowledge gathered is circulated and used by all.

At the ISO 45001:2018 certified premises, we adopted a process that includes, but is not limited to, how the work is organised, social factors, leadership and organisational culture, activities and situations, past relevant incidents, potential emergency situations, actual and proposed changes irrespective of the level and nature and changes in knowledge of and information about hazards. The Occupational Health & Safety (OH&S) Management Representative (HMR) ensures that hazard identification is conducted by persons with competence in relevant hazard identification methodologies and techniques and appropriate knowledge of the work activity. All jobs performed at our premises are supervised by the HMR. They ensure proper work permits are requested and granted prior to the job being undertaken, and also note and report work related hazards, if any. 'Toolbox talks' for routine and non-routine jobs are delivered to vendors undertaking work at our premises, as required which cover safety instructions and detailed processes to be followed to protect themselves from injuries or ill health and an OHSMS Hazard Identification Checklist is maintained. The methodology and criteria for the assessment of Occupational Health & Safety (OH&S) risks are defined with respect to their scope, nature and timing to ensure they are proactive rather than reactive and are used in a systematic way. Employees are also encouraged to report any hazardous situations by either calling a designated helpline or writing to a location specific helpdesk to enable timely and appropriate action.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have processes in place for our employees to report on work-related hazards and enable them to remove themselves from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we provide our employees with access to non-occupational medical and healthcare services. We promote well-being of our employees through facilitating pre-emptive medical check-ups, in-house doctors and on call consultations. We also offer health and wellness initiatives, including yoga, meditation, Zumba and quiz sessions, online and onsite. Our "Health to the Power Infinity" website provides doctor consultations, nutritionist services, an Emotional Assistance Programme and pharmacy discounts with professionals available both on call and in-house.

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

11. Details of safety related incidents, in the following format:#[7]

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	Not Applicable	
Total recordable work-related injuries	Employees	0	0
	Workers	Not Applicable	
No. of fatalities	Employees	0	0
	Workers	Not Applicable	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	Not Applicable	

**Includes contractual workforce*

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Safeguarding the health and well-being of our employees is of utmost importance to us. In June 2023, we offered the Annual Health Check pan-India with the help of a partner. This program witnessed a 22% participation rate from our eligible workforce. Employees above 40 years receive sponsored benefits, while others and their families could avail it at a discounted rate.

6 GRI 403-1, GRI 403-3

7 GRI 403-9, GRI 403-10

Additionally, we have introduced doctor and nutritionist consultations, emotional assistance programs, and pharmacy discounts at select premises. Employees can access these resources both on-call and through in-house facilities. Our Emotional Assistance Program (EAP) continues to support employees and their families. In FY 2023-24, we saw increased utilization of EAP services, with themed sessions on managing depression, anxiety, stress, and conflict resolution. To promote a holistic lifestyle, we facilitate online yoga, meditation, and Zumba sessions. Through these comprehensive health and wellness initiatives, we strive to create a supportive environment that fosters overall well-being for our employees and their loved ones.

Apart from the health related initiatives we also have safety related initiatives in place to safeguard the well-being of employees. We have proper safety signage at appropriate locations placed to create awareness, regular trainings are imparted and toolbox talks are imparted to the staff managing the upkeep of the premises and safety elements such as handrails and anti-slip strips on stairs are installed in the premises etc. We also have a dedicated helpdesk for employees to reach out to any facility for reporting issues related to their safety and well-being in the premises. Fire and evacuation drills are conducted across Kotak premises periodically. Trained fire wardens have been appointed across corporate offices to organise periodic fire evacuation drills and training sessions. In addition, we offer pre-emptive medical check-ups, in-house doctor consultations and ambulance facilities, and have slip proof floors and ergonomic seating facilities at major offices to ensure the safety and well-being of our employees.[8] We also facilitate sessions on mental health, yoga and other health related aspects for ensuring the well-being of the employees.

13. Number of Complaints on the following made by employees and workers:[#]

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

[#] *Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.*

14. Assessments for the year:[#]

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Six of our corporate offices (0.3 % of our total branches and offices) were assessed by a third party, housing 11,680 employees, which form 15% of our Bank's workforce.
Working Conditions	

[#] *Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.*

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There is an Occupational Health and Safety system implemented (ISO 45001:2018) that subjects us to continual improvement. In line with the requirement of the ISO 45001 standard, HIRA is catalogued and addressed by the relevant teams, which is updated on an annual basis or with the findings due to incidents, if any. Also, the external assessment reports are considered and observations from them are used to enhance the internal systems and processes.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes, we provide term life insurance, health insurance and group personal accident insurance to all our employees. Further details can be found on page 397 of BRSR

2. 'Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We communicate our expectation to our business partners and vendors through our service agreements which outlines the need to be in compliance with all relevant regulations. Compliance is tracked on a monthly basis.

[8] GRI 403-6

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	Not Applicable			

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, we provide transition assistance programmes by offering future skills trainings such as digital and leadership programmes to our employees who are nearing superannuation. We also offer sessions on various topics through "Refueling Hour" and "Learning A-Fair". These sessions cover themes such as developing industry-agnostic skills like Excel proficiency, prompt engineering, stakeholder management, and interpersonal skills. The goal of these programs is to equip employees with knowledge and abilities that can aid in their continued employability and smooth transition to new career opportunities.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We expect all our value-chain partners to comply with our Code of Conduct, applicable human rights standards and maintain sound health and safety practices. As per the Bank's ESG Management Systems Plan, we also undertake ESG evaluations of our customers as part of the credit procedures, for some eligible transactions.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Our stakeholder engagement strategy identifies key stakeholders based on their influence on our business strategy, vulnerability to business outcomes, and potential of the stakeholder to collaborate with us. The stakeholder engagement strategy has identified seven stakeholder groups that are perceived to be the most important for our business. This strategy is tailored for each stakeholder group when engaging with them in accordance with their needs and expectations.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (E-mails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement[1]
Investors	No	• E-mails • Letters • Earning calls • Meetings/ conferences • Investor Grievance Cell • Media • Website	• Annual and quarterly investor meets. • Need-based	• Financial results • Key business developments • Shareholder returns and dividends • Issues related to issue of duplicate/exchange of share certificates claim from Investor Education and Protection Fund Authority • Climate change • Diversity and Inclusion • Provision of information on financial and ESG performance • Timely resolution of queries • Provision of regular business updates • Incorporation of feedback on our strategy and performance

[1]GRI 2-29

Stakeholder	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (E-mails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement[1]
Customers	No	• One-on-one interactions • Focus group discussions • Customer meets. • Customer satisfaction surveys • Customer helpline • Customer grievance cell • Social media Website	• Periodic structured feedback meetings • Ongoing • Need-based	• Needs of customers • Customer experience and service quality • Product features and benefits • Technology interface for banking experience • Cybersecurity and Fraud protection • ESG initiatives and disclosure • Product and process innovation • Digital solutions • Service quality and relationship management • Timely resolution of grievances
Government and Regulatory Bodies	No	• Regulatory filings • Compliance statements • Meetings • Letters • e-mails • Industry associations	• Need-based	• License request and renewal • Compliance with filings and other regulatory requirements • Participation in government financial sector plans and programmes • Consultations sought by regulatory bodies and industry associations • On-time submission of regulatory and statutory filings
Suppliers	No	• Meetings • e-mails • Letters • Supplier and business associates' performance reviews • Awareness programmes	• Ongoing • Need-based	• Product/Service/ Technology quality and support • Contract commercial and technical terms and conditions • Supplier and business associates' statutory compliances • ESG, Code of Conduct for service providers • Supplier friendly terms • On-time vendor payments
Distributors	No	• Meetings • e-mails • Letters • Supplier and business associates' performance reviews • Awareness programmes	• Ongoing • Need-based	• Product/Service/ Technology quality and support • Contract commercial and technical terms and conditions • Distributor and business associates' statutory compliances • ESG, Code of Conduct for service providers • On-time payments
Employees	No	• Induction programmes • Town halls • e-mails • Skip-level meetings • Leadership meetings • Employee engagement initiatives • Rewards and recognition programmes • Employee portal • HR helpdesk • Employee satisfaction surveys • Employee volunteering initiatives	• Ongoing • Need-based	• Policies and procedures • Diversity and Inclusion • Performance appraisal and rewards • Training and career development • Work environment • Health and wellness • Safety and security • Community development • Employee volunteering • Cybersecurity • Talent development programmes • Career succession planning • Flexible mode of working • Internal job postings • Employee benefits

[2]GRI 2-29

Stakeholder	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (E-mails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement[1]
Communities and NGOs	Yes	• Community development initiatives including need-based local interventions identified by Group's employees. • Funding support • Proposals and requests for new initiatives • Impact assessment surveys	• Need-based	• Community development needs • Financial Inclusion • Financial infrastructure • Human and organizational support • Need-based community development programmes. • Skill upgradation for the supporting staff

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.[2]**

   There are identified teams who actively engage with designated stakeholder groups. The feedback received from each stakeholder group is relayed to the respective Board-level Committees. These Committees discuss the feedback received from the stakeholders and suitable actions are taken towards enhancing our practices.

   Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR and ESG Committee") - CSR & ESG Committee, inter alia, oversees the development, implementation and monitoring of the ESG framework, and provides feedback to the Board on the Bank's ESG performance, progress and compliance with relevant regulations and standards, thereby facilitating consultation between the Board and stakeholders on economic, environmental and social topics.

   Stakeholders' Relationship Committee ("SRC") - SRC oversees matters related to resolution of security holders' grievances, adherence to service standards for investor servicing, effective exercise of voting rights by shareholders, measures taken for reducing unclaimed dividends and other security holder-related matters, as per the responsibilities delegated to it by the Board.

   Customer Service Committee - CSC has been constituted to bring about ongoing improvements in the quality of customer service and improving the level of customer satisfaction for all categories of clientele, at all times. It oversees customer service related matters, including grievance redressal, fair practices and customer satisfaction and provides periodic reports to the Board on these topics.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. For instance, we engage with our investors and stakeholders on ESG topics they consider critical for us as a Bank and provide necessary public disclosures on our ESG performance. Our approach to materiality involves identifying and articulating relevant topics, recognizing associated risks, opportunities, and impacts, preparing surveys and conducting stakeholder consultations, analyzing the responses received, presenting the findings to the management and Board, and ultimately integrating the materiality outcomes into our strategy. The material topics identified through this approach informs our ESG policy framework found here – kotak.com/content/dam/Kotak/investor-relation/governance/Policies/ESG-framework-2022.pdf

   Our ESG policy framework outlines our commitment to each of the focus areas identified by us. We also encourage our employees and customers to follow environmental-friendly practices by leveraging technology. We have instituted diversity and inclusion, equal opportunities, and other employee-related policies and practices to promote a fair workplace. Our Code of Conduct for service providers conveys our expectations from our business associates and vendors to address ESG topics in their operations. In order to create awareness about ESG among communities, we implement various programs that not only focus on their upliftment, but also enhance their practices to be more environmentally conscious through some of our CSR interventions.

3. **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.**

   We are committed to ensuring accessibility and inclusivity for all stakeholders, including vulnerable and marginalized groups. To address the concerns of people with disabilities, we have installed ramps at over 600 branches and more than 950 ATMs to facilitate barrier-free access to our banking services.

[2]GRI 2-16

Financial literacy is a crucial aspect of empowering our customers and communities to effectively utilize our banking services. During the financial year, we organized 3,000 financial literacy camps through our rural branches. Additionally, we regularly conduct various digital campaigns to educate our customers and the community on financial matters. For further details on our financial inclusion efforts, please refer to pages 62-63 of the 'Embracing Sustainability' section in this Report.

Furthermore, we undertake various need-based community programs aligned with our identified CSR focus areas, which include education and livelihood, healthcare, environment and sustainable development, and sports. These programs are designed to uplift and empower marginalized communities. For comprehensive details on our CSR initiatives, please refer to pages 86-91 of the 'Supporting Communities' section in this Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:[#1]

Category	FY 2023-24*			FY 2022-23		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employees/ workers covered (D)	% (D/C)
Employees						
Permanent	60,438	25,494	42.2%	56,115	50,996	90.9%
Other than permanent	17,485	4,842	27.7%	17,366	14,144	81.5%
Total Employees	**77,923**	**30,336**	**38.9%**	**73,481**	**65,140**	**88.7%**
Workers						
Permanent			Not Applicable			
Other than permanent						
Total Workers						

**Our Code of Conduct consists of elements on human rights. Hence, Code of Conduct, PoSH, Diversity, Inclusion and Equity trainings coverage has been considered in the above table. The data considered here are for only employees who underwent through COC and PoSH training in FY 23-24 as remaining employees has already gone through this training during their tenure at Kotak.*

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

2. Details of minimum wages paid to employees and workers, in the following format:[#2]

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	**60,438**	**5,393**	**8.9%**	**55,045**	**91.1%**	**56,115**	**7,008**	**12.5%**	**49,107**	**87.5%**
Male	44,401	3,733	8.4%	40,668	91.6%	41,505	4,934	11.9%	36,571	88.1%
Female	16,037	1,660	10.4%	14,377	89.6%	14,610	2,074	14.2%	12,536	85.8%
Other than permanent	**17,485**	**7,366**	**42.1%**	**10,119**	**57.9%**	**17,366**	**9,037**	**52.0%**	**8,329**	**48.0%**
Male	13,130	5,501	41.9%	7,629	58.1%	12,588	6,229	49.5%	6,359	50.5%
Female	4,355	1,865	42.8%	2,490	57.2%	4,778	2,808	58.8%	1,970	41.2%
Workers										
Permanent										
Male										
Female					Not Applicable					
Other than permanent										
Male										
Female										

[1]GRI 406-1 | [2]GRI 202-1 | [#]Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:#

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category*	Number	Median remuneration/ salary/ wages of respective category*
Board of Directors (BoD)	10	₹ 0.63 Cr	2	₹ 2.06 Cr
Key Managerial Personnel (KMP)	3	₹ 3.85 Cr	2	₹ 2.56 Cr
Employees other than BOD and KMP	44,398	₹ 5.5 lakh	16,035	₹ 4.5 lakh
Workers	Not Applicable			

**The figures represent fixed component and does not include variable components of the compensation; Employee remuneration are for permanent employees only.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	21.0%	21.4%

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, our Human Resources function is responsible for the oversight of human rights issues as articulated in the Human Rights and Anti-discrimination Policy. Further details of the policy are found in 'Description of Policies' in the Annexures.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have established a Whistleblower mechanism accessible to internal stakeholders, allowing them to escalate any violations which includes those relating to human rights issues This internal digital platform ensures the confidentiality of the whistleblower's identity. The grievance mechanism also includes a robust Whistleblower Policy to address employee grievances related to work environment and company policies, as outlined in the "Raising Concerns" section of the Code of Conduct. Additionally, we are committed to implementing adequate remediation measures to address identified risks and/or human rights violations. Further details can be found in our "Description of Policies" on Page 420.

6. Number of Complaints on the following made by employees and workers:#[9]

	FY 2023-24			FY 2022 - 23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	45	17	All the pending cases were resolved in Q1 of FY 2024-25.	56	14	All the pending cases of FY 2022-23 were resolved in FY 2023-24.
Discrimination at workplace	0			-	-	-
Child Labour	0			-	-	-
Forced Labour/ Involuntary Labour	0			-	-	-
Wages	0			-	-	-
Other human rights related issues	0			-	-	-

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:#

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	45	56
Complaints on POSH as a % of female employees / workers	0.2%	0.3%
Complaint on POSH upheld	16	30

[9] GRI 406-1 | # Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a robust Code of Conduct for our employees that includes clauses on anonymity and confidentiality to ensure employees can freely raise their concerns without hesitation. We also make provisions to enable employees to raise anonymous complaints and have zero tolerance for workplace retaliation:

- Anonymity and Confidentiality: We maintain strict confidentiality regarding all complaints and related investigations, treating them with utmost sensitivity in compliance with applicable laws and regulations. Employees are provided with the option to raise anonymous complaints, which are accessible only to authorized personnel, such as the Business Head, Human Resources team, and other control functions, as permitted by law. The final action taken is documented and maintained for future reference.
- Workplace Retaliation: Our organization has a zero-tolerance policy towards any form of retaliation against individuals who, in good faith, report suspected unethical or illegal conduct. This includes, but is not limited to, fraud, securities law or regulatory violations, potential breaches of company policies such as the Code of Conduct, or other inappropriate workplace behavior. Should an employee experience retaliation, they are encouraged to report the incident to the Human Resources team or through our designated Employee Portal (Kotak Worklife), where their concerns will be addressed promptly and appropriately.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, service agreements with service providers include a Code of Conduct for service providers that covers human rights.

10. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We respect human rights of all our stakeholders and ensure adherence with laws safeguarding these universal rights. We have instituted a Human Rights and Anti-Discrimination policy that outlines our commitment to the national and international laws.

2. Details of the scope and coverage of any Human rights due diligence conducted.

We respect human rights of all our stakeholders and ensure adherence with laws safeguarding these universal rights. We have instituted a Human Rights and Anti-Discrimination policy that outlines our commitment to the national and international laws.

We undertake proactive measures to safeguard human rights. We include in our annual survey some questions to understand how human rights are implemented in the organization. These questions covered topics such as workplace discrimination based on gender, caste, religion and physical disability, workplace challenges related to health and safety, commute to work, growth opportunities and amenities, and learning and development such as skill development, mentorship programs and career sponsorship. The objective of the survey was to assess organizational effectiveness on parameters such as respect, camaraderie, pride, fairness, and credibility. This survey was conducted in December 2023.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, nine of our largest offices with capacity to accommodate more than 17,000 employees have been equipped with disability friendly infrastructure. More than 600 branches and more than 950 ATMs have disability friendly entrances making them accessible to both our employees and customers who are Persons with Disabilities (PwD).

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We expect all our value-chain partners to comply with our Code of Conduct, applicable human rights standards and maintain sound health and safety practices. As per the Bank's ESG Management Systems Plan, we undertake ESG evaluations of our customers as part of the credit procedures, for some eligible transactions.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:[1]

Parameter (in GJ)	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	33,271	12,585
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**33,271**	**12,585**
From non-renewable sources		
Total electricity consumption (D)	4,31,341	3,52,223
Total fuel consumption (E)	16,464	9,309
Energy consumption through other sources (F)	NA	0
Total energy consumed from non-renewable sources (D+E+F)	4,47,804	3,61,532
Total energy consumed (A+B+C+D+E+F)	**4,81,075**	**3,74,117**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations in ₹ crore)	8.58	9.05
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ / Revenue from operations in ₹ crore, PPP adjusted)	173.49	183.01
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity (GJ/FTE)	6.17	5.09

Notes:

1. *Refer page no. 64 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024. Due to the change in methodology the data for FY2023-24 is not comparable with previous year.*
2. *Coverage of reporting has been enhanced to include 37 new corporate offices, 240+ new Bank branches and 1000+ off-site ATMs from last year. This data also includes energy consumed at Bank premises shared with a few subsidiaries.*
3. *Intensity ratios have been computed based on Total Revenue which includes Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) earned under Schedule 14 of the Audited Standalone Financial Statements of the Bank. For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.22 INR/USD as per World Bank website has been considered.*
4. *FTE refers to full time employees of the Bank at the end of the financial year.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

This is not applicable to us as we do not have any sites or facilities identified as designated consumers (DCs)

[1] GRI 302-1, GRI 302-3

3. Provide details of the following disclosures related to water, in the following format:[2]

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	15909.6
(iii) Third party water	0	85,813.5
(iv) Seawater / desalinated water	0	
(v) Others	8,52,455.6	21,089.7
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	8,52,455.6	1,22,812.8
Total volume of water consumption (in kilolitres)	1,70,491.1	1,22,812.8
Water intensity per rupee of turnover	3.04	2.97
(Total water consumption / Revenue from operations) (kilolitres / Revenue from operations in ₹ crore)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	61.48	60.08
(Total water consumption / Revenue from operations adjusted for PPP) (kilolitres/ Revenue from operations in ₹ crore, PPP adjusted)		
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity (KL/FTE)	2.19	NA

Notes:

1. *Refer page no. 68 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024. Due to the change in methodology the data for FY2023-24 is not comparable with previous year.*
2. *Intensity ratios has been computed based on Total Revenue which includes Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) earned under Schedule 14 of the Audited Standalone Financial Statements of the Bank. For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.22 INR/USD as per World Bank website has been considered.*
3. *If we were to follow a similar methodology for estimating water withdrawal and consumption for FY 22-23, the number would be 7,25,481.9 kl and 1,45,096.4 kl respectively.*
4. *FTE refers to full time employees of the Bank at the end of the financial year.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24

4. Provide the following details related to water discharged:[3]

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	6,81,964.5	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**6,81,964.5**	**-**

Notes:

1. Refer page no. 68 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024. Due to the change in methodology the data for FY2023-24 is not comparable with previous year.

2. If we were to follow a similar methodology for estimating water discharge for FY 22-23, the number would be 5,80,386.5 kl.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **Yes, reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24**

2 GRI 303-3, GRI 303-5

3 GRI 303-4

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We do not have a zero liquid discharge mechanism, but have taken initiatives to minimise water discharge. These initiatives include the installation of low-flow plumbing fixtures to reduce water consumption at select large offices. We also have Sewage Treatment Plants (STP) at three of our larger corporate offices, the output from which is used for flushing purpose and horticulture.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 23-24	FY 22-23
NOx SOx Particulate matter (PM) Persistent organic pollutants (POP) Volatile organic compounds (VOC) Hazardous air pollutants (HAP) Others – please specify	As a financial services company, air emissions from our operations are not significant. We monitor our GHG emissions, which have been disclosed on page 410 and 413 under principle 6, of BRSR.		

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:[5]

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	8,403.9	11,890
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs,SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	85,788.9	69,466
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent/₹ Cr.	1.68	1.97
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Metric tonnes of CO_2 equivalent/₹ Cr.	34.00	39.80
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO_2 equivalent/ FTE	1.21	1.11

Notes:

1: Refer page no. 66 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024. Due to the change in methodology the data for FY2023-24 is not comparable with previous year.

2: Coverage of reporting has been enhanced to include 37 new corporate offices, 240+ new Bank branches and 1000+ off-site ATMs from last year. This data also includes energy consumed at Bank premises shared with a few subsidiaries.

3: Intensity ratios have been computed based on Total Revenue which includes Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) earned under Schedule 14 of the Audited Standalone Financial Statements of the Bank. For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.22 INR/USD as per World Bank website has been considered.

4: FTE refers to full time employees of the Bank at the end of the financial year.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency -

Yes, reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.[6]

Yes, we undertake initiatives to reduce our GHG emissions. We have twelve LEED certified office premises across six cities and 4,130 square meters of carbon neutral floors installed at our main offices. Each of the LEED certified offices meet the requirements of the green building rating system certification established by the U.S. Green Building Council and have best-in-class resource efficient installations. These installations help monitor and control energy consumption. We are in the process of getting more of our premises to get LEED certified. There are other initiatives as well which help us reduce GHG emissions such as:

- Maintenance of temperature control around 24ºC for air conditioned premises at large offices
- Pilot testing of an AI-driven module for monitoring energy consumption of air conditioners
- Implementation of pressure-independent Variable Air Volume (VAV) systems for optimised air distribution to facilitate temperature control as per user requirements and ensure energy savings during non-occupancy periods.
- Transition from physical servers to virtual servers that reduces both energy consumption and resource utilisation

5 GRI 305-1, GRI 305-2, GRI 305-4

6 GRI 305-5

- Implementation of sensor-based lighting systems and timer-controlled lighting across facilities
- Utilisation of non-emergency light fixtures with occupancy and daylight sensors to enable energy savings during non-occupancy hours
- Deployment of LED signages at our major corporate offices and branches
- Energy-efficient lighting systems, specifically LEDs replaced traditional lighting fixtures across all facilities.
- All electronics are serviced regularly and any faulty or damaged appliances are replaced immediately.
- We seek to purchase energy-efficient electronic equipment to minimise our environmental impact.
- We regularly communicate with our branches to avoid unnecessary consumption and promptly address any significant increases in electricity bills
- Installation of electric vehicle charging stations at key offices to encourage the adoption of electric vehicles and support eco-friendly commuting options.
- Adoption of CFC-free refrigerants like R134A in HVAC systems to reduce environmental footprint and comply with sustainable practices.
- Replacement of Precision Air Conditioners (PAC) with Hybrid Air Conditioners utilising R407C Refrigerant to further reduce our greenhouse gas emissions and enhance energy efficiency.
- Low-emission tubular batteries for power backup instead of traditional generators.
- Incorporation of low-VOC, low-emission materials in construction and maintenance activities across our premises to minimise environmental impact and ensure occupant health and safety.
- Ceasefire fire extinguishers, preferably the MAP-90 model, which emits low carbon.

For further details on initiatives, please refer to 'Embracing Sustainability' of this Report.

9. Provide details related to waste management by the entity, in the following format:[7]

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (metric tonnes)		
Plastic waste (A)	5.5	1.4
E-waste (B)	9.0	19.4
Bio-medical waste (C)	0*	0
Construction and demolition waste (D)	92.0	17.6
Battery waste (E)	7.2	2.1
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3.3	0.2
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,076.6	147.3
Total (A+B + C + D + E + F + G + H)	**1,193.7**	**188.1**
#Waste intensity per rupee of turnover		
(Total waste generated/ Revenue from operations) (metric tonnes / Revenue from operations in ₹ crore)	0.02	0.00
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (metric tonnes / Revenue from operations in ₹ crore, PPP adjusted)	0.43	0.09
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity (MT/FTE)	0.02	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	177.3	169.2
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**177.3**	**169.2**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of disposal Method		
(i) Incineration	0*	17.3
(ii) Landfilling	1,016.3	1.6
(iii) Other disposal operations	0	0
Total	**1,016.3**	**18.9**

Note: 1. FTE refers to full time employees of the Bank at the end of the financial year.

Refer page no. 68 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024. Due to the change in methodology the data for FY2023-24 is not comparable with previous year.

Intensity ratios have been computed based on Total Revenue which includes Interest Earned under Schedule 13 and Other Income, excluding profit/(loss) on sale of buildings & other assets (net) earned under Schedule 14 of the Audited Standalone Financial Statements of the Bank. For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.22 INR/USD as per World Bank website has been considered.

** Biomedical waste generated is 0.0036 metric tonnes, as we have rounded the number to 1 decimal point it appears as 0 in the table above.Out of the 0.0036 metric tonnes of biomedical waste generated 0.0031metric tonnes is incinerated and 0.0005 metric tonnes is sent to landfill has context menu*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency -

7 GRI 306-3, GRI 306-4, GRI 306-5

Yes, reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

There is an internal process which guides the process of waste management at Kotak. We operate in the service industry, our waste mainly includes stationery waste and organic waste (generated through our canteen). Other categories of waste monitored include e-waste, construction waste, and plastic as well as scrap metal. Hazardous waste generated from our operations is negligible and includes used oil from fuel based generators. We have proper process for disposing the generated waste in accordance with the regulations. We collect and safely dispose all the hazardous waste including bio-medical waste through authorised waste management agencies, have buy-back policy for batteries and we attempt to reuse and recycle most of the waste generated. We also undertake various initiatives during the year to reduce our waste such as:

- Single Use Plastic (SUP) bottles: We do not procure SUP water bottles for our large offices including meeting rooms and cafeterias
- Installation of Organic Waste Converters (OWC): Organic waste generated from cafeteria, pantries, and landscaping is converted into manure by using OWCs. There are six large offices which have OWCs installed.
- Minimisation of food wastage: Awareness initiatives are conducted to sensitise employees on food wastage, with posters placed at strategic locations to create maximum impact and regular e-mail communication. Waste generated each day in cafeterias is measured and displayed to sensitise employees.
- Responsible disposal of e-waste: All the IT and e-waste generated is responsibly disposed through authorised vendors
- Paper waste minimisation: Overall paper consumption across our operations has been reduced through implementation of default duplex printing on all printers and avoiding physical account statements and envelopes. More than 2.5 Crore sheets were saved due to this initiative.
- Digitalising of the physical Most Important Terms & Conditions (MITC) of Financial Inclusion saving accounts.
- Digitalising of Loan processing: In FY 2023-24, 98% of our personal loan business was transitioned to digital formats. This saves consumption of paper.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
We do not have any operations or offices in ecologically sensitive areas			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain(Yes / No)	Relevant Web link
We did not undertake any projects that required an EIA.					

Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
We are in compliance with all applicable environmental law/ regulations/ guidelines in India.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

i. Name of the area
ii. Nature of operations,
iii. Water withdrawal, consumption and discharge in the following format:

As we are a financial services company, this is not applicable to our activities

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:[8]

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	47,005.3	73,842.9
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/₹ Cr.	0.84	1.79
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO_2 equivalent/FTE	0.60	1.01

Notes:

1. Refer page no. 67 in 'Embracing Sustainability' section which describes the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024.

2. FTE refers to full time employees of the Bank at the end of the financial year.

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for FY 2023-24

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy saving device installation	We have installed energy saving devices at 100 offsite ATMs	12% energy savings
2.	Energy efficient lighting	We have replaced all CFL Lighting in Branches & small offices with LED Modules in FY 2022-23	3,800 tCO_2 equivalent annually
3	Solar Installation - Pilot	Solar panels commissioned at three branches	Clean energy generation

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have a Business Continuity Management (BCM) Policy that provides guidance for proactively identifying and mitigating risks that may cause disruption to business, to minimize the impact of disruption, and to ensure continuity of key products and services at acceptable levels. It is reviewed annually for its continual improvement. Critical Units in the Bank have a Business Continuity Plan (BCP) which prescribes tested half yearly, the results are communicated periodically and are reviewed to ensure their effectiveness. These results are also submitted to the regulator.

We also have an "IT Disaster Recovery Plan", which comprises disaster recovery objective, disaster determination & recovery process, replication methodology, drill procedure & frequency, DR maintenance, RTO, RPO, etc. Kotak has an existing Primary DC site at Goregaon (Mumbai), Near-DR site at Airoli (Navi Mumbai) and Disaster Recovery DC hosted at Chennai. We have set up identified applications at our DR site. Bank prepares schedule and conducts DR drills for applications, according to regulatory directives.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The EMSP lays out the criteria to conduct due diligence and evaluation of select borrowers using an ESG lens. The plan also categorizes the borrowers based on the potential of the sector which a company belongs to, impact social and environmental aspects through their business activities. The Plan indicates specific checklists for assessment which depends on the nature and category of the transaction. Capital expenditure and working capital loans above particular size and tenor thresholds are covered in the Plan for evaluation, that gives a score to be included in the credit assessment note, which is to be adjusted downwards for high-risk borrowers. Additionally the EMSP outlines an exclusionary list, implementation of which is subject to periodic supervision and monitoring. We have also introduced a Vendor Code of Conduct that articulates our expectations on our vendors ESG performance.

8 GRI 305-3

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Currently, we do not assess environmental impacts for our value-chain partners. However, we encourage our value-chain partners to proactively align their business operations to environmental best-practices. We have implemented a code of conduct for all our outsourced vendors, which is incorporated as part of the standard service contract with the objective of creating awareness on ESG and articulating our expectations form our vendors on ESG.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. Public Policy Advocacy

a. Number of affiliations with trade and industry chambers/ associations - 18

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.[1]

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Advertising Standards Council of India (ASCI)	National
2.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Bombay Chamber of Commerce & Industry (BCCI)	State
4.	Primary Dealers Association of India (PDAI)	National
5.	Fixed Income Money Market and Derivatives Association of India (FIMMDA)	National
6.	Foreign Exchange Dealers' Association of India (FEDAI)	National
7.	Indian Banks' Association (IBA)	National
8.	Data Security Council of India (DSCI)	National
9.	Media Research Users Council	National
10.	Indo German Chamber Of Commerce (IGCC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
During the FY 23-24, no instances of anti-competitive conduct were found, rendering corrective actions unnecessary[2]		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether Information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/Others– please specify)	Web Link, if available
1.	Mobilising private capital for Climate solutions	Climate Finance Leadership Initiative (CFLI) India	Yes	Half yearly	https://www.bloomberg.com/cfli/mobilizing-investment/india/

[1] GRI 2-28 | [2] GRI 206-1

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Kotak Mahindra Bank did not undertake any projects that require Social Impact Assessments.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Kotak Mahindra Bank did not undertake any projects that require Rehabilitation and Resettlement.						

3. Describe the mechanisms to receive and redress grievances of the community*.

As a financial services company, our operations typically do not lead to grievances from the community at large. However, our CSR activities involve communities and our NGO partners are responsible for addressing the queries/grievances/complaints raised, which they may route to us on a case-to-case basis. We have also established a grievance redressal mechanism specific to CSR projects, which is available on our website: https://www.kotak.com/en/about-us/corporate-responsibility/feedback-form.html

Also, the MoUs signed with NGO partners have mention of the channel (email) on which the grievance can be reported.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:#

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	23%	-*
Directly from within India[1]	99%	99%

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

** This number was not tracked for FY 2022-23*

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0.6%	0.6%
Semi-urban	3.9%	3.9%
Urban	24.8%	25.0%
Metropolitan	70.7%	70.5%

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator for FY 2023-24.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments

Details of negative social impact identified	Corrective action taken
Not applicable	

[1]GRI204-1

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In ₹ Lakh)
Jharkhand	Pakur	37.5
Odisha	Kandhamal	37.5
Gujarat	Dahod	34.3
Jharkhand	Ranchi	53.5
Bihar	Muzaffarpur	37.5
Jharkhand	Hazaribhag	22.0
Madhya Pradesh	Chhatarpur	55.0
Kerala	Wayanad	3.0

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. As a financial services organisation, we do not require substantial input materials for our business.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

Sr No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education & livelihood	1,72,250	While many of our projects work for the benefit of economically weaker segments and tribal communities, we do not track % of beneficiaries from vulnerable/marginalised segment for same
2	Healthcare	45,233	
3	Sports	132	
4	Relief & rehabilitation	6,300	
5	Environment & sustainable development	8,990	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has implemented a robust mechanism to receive and address consumer complaints and feedback effectively. As a service sector organization, customer centricity is our prime focus. We recognize the importance of prompt and efficient service delivery in ensuring customer satisfaction.

We adopt a holistic approach to establish service standards and continuously enhance the customer experience based on feedback received through multiple channels. Customers can conveniently provide feedback or lodge grievances through multiple modes. We ensure a streamlined process for grievance redressal, encompassing three escalation levels:

Level 1: Customer Experience Centre, Net Banking / Web form, Branch, PO Box

Level 2: Dedicated Nodal Officer

Level 3: Principal Nodal Officer

Further, in line with RBI recommendation, the Bank has incorporated the role of an Internal Ombudsman, who is an independent authority to review the Grievances raised by customers. Every complaint which is either partially or fully rejected, is shared with the Internal Ombudsman for review and consent. Only once the Internal Ombudsman consents, can the complaint be rejected. The decision taken by the Internal Ombudsman is binding on the Bank. If the customer is not satisfied with the response or has not received a response from the Bank within a month, then he/she can file a complaint with Banking Ombudsman. The details of the same is updated on the Bank's website.

Every complaint has a specified turnaround time. Customer at the time of login of complaint, would ordinarily be informed of the same. Bank has dedicated teams to handle complaints at Level 1, Level 2 and Level 3. Additionally, there are teams specifically working on the complaints escalated to the Chairman / Managing Director's desk or the RBI banking Ombudsman under the Grievance Redressal desk.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental product and social parameters relevant to the Product	
Safe and responsible usage	NA
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services#	2,86,154	16,189	The number of complaints reported excludes complaints redressed in zero and one day	1,768	44	The number of complaints reported excludes complaints redressed in zero and one day
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	5,931	229	The number of complaints reported excludes complaints redressed in zero and one day	-	-	
Other	-	-		-	-	

Complaints included under "Delivery of Essential Services" exclude from total complaints those that pertain to mis-selling, which are separately shown as unfair trade practices. This modification in methodology from last year reflects our view that 'Banking is as an essential service' . If the same methodology had been applied in FY 2022-23, the no. of complaints received and pending resolution at the end of the previous year would have been 2,32,410 and 11,167 for Delivery of essential services and 3,245 and 51 Unfair Trade practices respectively

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for indicators marked with # for FY 2023-24.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reason for Recall
Voluntary Recall	Not Applicable	
Forced Recall		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, we have a policy on cybersecurity. The details of the cybersecurity policy can be found in the annexures on page 420. In addition, the Privacy Policy of Kotak can be found here: https://www.kotak.com/en/privacy-policy.html

For further details, please refer to pages 52-55 of the 'Governance' section.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The Bank has Information Security and Cyber Security Policy (which is updated on periodic basis to comply with regulatory guidelines and best practices) through which Bank makes sure to proactively monitor internal and external infrastructure/applications to detect and timely respond to any vulnerabilities. Periodic Vendor security assessments are carried out to protect Bank's data. There is regular cadence with senior management to appraise them about risks identified and action taken to mitigate same.

7. **Provide the following information relating to data breaches:* #**

a) **Number of instances of data breaches** – 1

b) **Percentage of data breaches involving personally identifiable information of customers-** 100%

c) **Impact, if any, of the data breaches** – The impact of the breach is limited, as the information that may have been accessed by threat actor is not critical in nature. The Bank has since taken corrective actions to prevent occurrence of such incident.

** The above information in respect of data breach has been disclosed based on Bank's internally defined criteria for such incidents.*

Reasonable assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information about Kotak Mahindra Bank's products and services are available on our website https://www.kotak.com/en/home.html

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

We carry out financial literacy and investor education programmes with an emphasis on expanding the knowledge of our customers and communities. Our goal is to create awareness among our existing and potential consumers with the requisite know how to make informed financial decisions and protect their data. We believe that financial literacy is a vital step in educating our customers on the effective usage of our banking services. During the financial year, we organised more than 3,000 financial literacy camps through our rural branches. We also conduct various digital campaigns to educate our customers on a regular basis.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We proactively communicate with our customers through e-mail, SMS, WhatsApp, website, push notifications and our Mobile app to provide details regarding the potential and ongoing disruption of essential services. Additionally, we have established Relationship Management teams at our branches and a Customer Contact Centre staffed with a team of Virtual Relationship Managers, who regularly connect with our customers via phone and through digital channels. This approach ensures transparent information about our financial products and services, enabling a seamless customer experience.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, we recognise the importance of adequate, clear and transparent information being provided to our customers to enable informed decision making. We also train our employees to practice ethical lending practices and refrain from mis-selling of financial products to our consumers.

Yes, we track Net Promoter Score (NPS) at two levels- Relationship NPS (R-NPS) and Transaction NPS (T-NPS). This helps us understand our customers' perception of the Bank as a whole. For further details please refer to pages 70-71 of 'Generating value for customers' section

Sr. No	Name of the Policy[1]	Description/link to publicly available policies
1.	**Policy on Board Diversity**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/board-diversity-policy.pdf
2.	**Code of Bank's Commitment to Customers**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Banking-Codes-Standards-Board-of-India/Individuals-Customers/english.pdf
3.	**Code of Conduct (Directors)**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/code_of_conduct_directors.pdf
4.	**Code of Conduct (Employees)**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/code_of_conduct_employee-2972021.pdf
5.	**Code of Conduct for Conduct for Collection of Dues - Credit Cards**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Code-of-Conduct/code-of-conduct-for-collection-of-dues-credit-cards.pdf
6.	**Code of Fair Disclosure of UPSI**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/code_of_fair_disclosure_of_UPSI.pdf
7.	**Collection of Dues and Repossession of Security Policy**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Banking-Policies/policy-on-collection-of-dues-and-repossession-of-Security.pdf
8.	**Compliance Policy**	The policy describes the compliance culture, function, risk and elucidates our approach to ensuring compliance. The Chief Compliance Officer and the compliance team have the responsibility to ensure the effectiveness and integrity of the compliance process with appropriate and robust monitoring of the adherence to the Policy.
9.	**Compensation Policy**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/compensation-policy-kmbl.pdf
10.	**Compensation Policy for Executive Directors**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/compensation-policy-ned-final.pdf
11.	**Corporate Social Responsibility Policy**	https://www.kotak.com/en/about-us/corporate-responsibility.html
12.	**Customer's Compensation Policy**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Banking-Policies/customer-compensation-policy.pdf
13.	**Diversity, Inclusion and Equity Statement**	Please find details on pages 82-83 of the 'Empowering Colleagues' section of this report
14.	**ESG Management Systems Plan (EMSP)**	Please find details on page 58 of the 'Embracing Sustainability' section of this report
15.	**ESG Policy Framework**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/ESG-framework-2022.pdf
16.	**Employee Volunteering Policy**	This policy provides a framework that enables and inspires our employees to utilize their time and skills in socially impactful volunteering activities. Our employees can enroll with social sector organisations or opportunities available on the Kotak Work Life Mobile App or Portal.
17.	**Enterprise-wide Risk Management (ERM) Framework**	Details of our ERM framework have been elucidated on page 372 of the Management discussion and analysis section of this report.
18.	**Environment Policy**	Our Environment Policy elucidates our commitment to sound environmental management in line with national and local environmental regulations. It also covers our approach to manage our environmental impact through resource efficiency measures, waste management and transitioning our operations to a low carbon economy. The policy also focuses on creating employee and stakeholder awareness on environmental management.
19.	**Equal Employment Opportunity Policy**	This policy is aligned to the Rights of Persons with Disabilities Act, 2016 and covers all our employees (current and prospective employees) including persons with disability, persons with benchmark disability and persons with disability having high support needs. The policy articulates our commitment to providing equal opportunities to all in employment, without any discrimination on the grounds of age, disability, gender, marriage and civil partnership, maternity, race, ethnic, social, and indigenous origin, nationality, colour, religion or belief, sexual orientation, socioeconomic status of an individual or other basis prohibited by law.
20.	**Fair Practice Code (Bank)**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Code-of-Conduct/fair-practice-code.pdf
21.	**Fair Practice Code for Credit Card Operations**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Code-of-Conduct/fair-practice-code-for-credit-card-operations.pdf

[1] GRI 2-23

Sr. No	Name of the Policy[1]	Description/link to publicly available policies
22.	**Fair Practice Code for Lenders**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Code-of-Conduct/fair-practice-code-for-lenders.pdf
23.	**Fair Practice Code – Microfinance Loans**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Code-of-Conduct/Fair-Practice-Code-Microfinance-Loans.pdf
24.	**Fraud Risk Management Policy**	The aim of this policy is to help the field functionaries strengthen their precautionary measures, which would make the supervision and internal control mechanism more focused and effective. The policy defines the fraud-prone areas of the business, fraud risk control measures, and the classification and reporting of fraud cases, investigation, follow-up and closure mechanism.
25.	**Grievance Redressal Policy**	https://www.kotak.com/content/dam/Kotak/Customer-Service/Important-Customer-Information/Banking-Policies/policy-for-grievance-redressal.pdf
26.	**Health, Safety and Welfare at Work-Place Policy**	This policy governs health and safety practices in the workplace and documents our commitment to comply with laws concerning occupational health and safety. The scope of the policy covers all employees and partners working at our premises. We also have an Occupational, Health and Safety Management System Manual detailed on page 83 of the 'Empowering Colleagues' section of this report.
27.	**Human Rights and Anti-discrimination Policy**	This policy communicates our commitment towards respecting human rights and condemning any violations in this regard. The policy supports freedom of association, right to collective bargaining, equal remuneration, no discrimination, and other related human rights. This policy conforms to the requirements set forth in the UN Guiding Principles on Business and Human Rights and complements Kotak's Code of Conduct for employees. The policy expects all our value chain partners including business partners, suppliers, vendors, and contractors to reciprocate our commitment to human rights. This policy is applicable at every level of the organisation and to every aspect of the workplace environment and employment relationship, including recruitment, selection, promotion, transfers, training, salaries, benefits, and termination. It also covers fair wages, decent working hours, and performance evaluations.
28.	**Information Security and Cyber Security Policy**	This policy institutes the Cyber Security Framework based on industry best practices and regulatory guidelines . As a part of the cyber resilience framework, a Cyber Crisis Management Plan (CCMP) has been established to effectively respond to a cyber-crisis. The policy details the Cyber Crisis Management Task Force structure, Cyber Crisis Management Life Cycle, protocol to activate the CCMP, incident classification, containment, investigation and recovery. The policy also stipulates Cyber Crisis Management Awareness programs to be undertaken for employees.
29.	**Apex Information Technology Policy**	This Information Technology Policy provides guidelines for effective management of the Bank's Information Technology systems. The policy is based on The international standard & Framework ISO IEC 20000, ITIL V-3, COBIT 4.1 and ISO 27001 and Indian regulations. The policy ensures integrity, reliability and availability of the IT systems along with IT Change Management. It specifically articulates process to identify, record, perform impact analysis, prioritise, classify, resolve, escalate and close all incidents. The policy also specifies training of employees of IT security and requires all employees and third-parties to comply with the policy.
30.	**KYC and Anti-Money Laundering (AML) Policy**	The objective of this Board approved policy is to have in place adequate policies, practices and procedures that promote high ethical and professional standards and prevent us from being used, intentionally or unintentionally by criminal elements. The KYC standards and AML measures enable us to understand our customers or beneficial owners and their financial dealings, which in turn helps us to manage our risks prudently. The policy lists guidelines to conduct our customer due diligence process (CDD), Non-face-to-face CDD, risk assessments to identify, assess and take effective measures to avoid terrorist financing and identify, review and monitor politically exposed persons.
31.	**New Mother Benefit Policy**	Please find details on page 83 of the 'Empowering Colleagues' section of this report
32.	**Operational Risk Management Policy**	The policy guides governance and reporting structure for operational risk management. It establishes a proactive operational risk management culture, which includes identifying, preventing, reducing, avoiding or transferring operational risk inherent to the business.
33.	**Policy for Determination of Materiality of Events or Information**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/KMBL_materiality_policy1.pdf.

Sr. No	Name of the Policy[1]	Description/link to publicly available policies
34.	**Policy on Dealing with Related Party Transactions**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/dealing_with_related_party_transactions.pdf
35.	**Policy on Sexual Harassment of Women (POSH)**	Please find details on page 84 of the 'Empowering Colleagues' section of this report
36.	**Privacy Notice (for EU Users)**	https://www.kotak.com/en/privacy-policy/privacy-notice.html
37.	**Privacy Policy**	https://www.kotak.com/en/privacy-policy.html
38.	**Stress Testing Policy**	Details of our stress testing policy have been elucidated on page 380 of the Management discussion and analysis section of this report.
39.	**Whistle Blower Policy**	https://www.kotak.com/content/dam/Kotak/investor-relation/governance/Policies/whistle_blower_policy.pdf
40.	**Vigilance Policy**	The policy covers primarily two types of vigilance – preventive and detective vigilance. The Vigilance Committee is responsible for instituting the anti-corruption measures.
41.	**Training Policy**	This policy articulates our philosophy on learning with the objective of assimilating and upskilling our employees and creating future talent pipeline. The policy covers training and processes related to cost of training, categories of training, nomination procedure, process of approval, booking of training expense, settlement of expense and process of cancellation. The policy also describes the process enabling employees to undertake external learning and certification programs.

ESG DATA TABLES

WORKFORCE BREAKDOWN[#] [1]

The boundary for FY 2023-24 includes all subsidiaries of the Group. To represent the Group completeness, Sonata Finance Private Limited (Sonata) employee's numbers were also added to the headcount, however as new joiners and exits throughout the financial year (except for the last three days of March 2024) were not part of the Group, therefore, the new joiners and exits from Sonata were not considered in the Group's totals. Please note that Sonata Finance Private Limited acquisition was concluded on March 28, 2024.

KOTAK MAHINDRA BANK- WORKFORCE BREAKDOWN BY GENDER FOR FY 2023-24

Category	Number		Percentage	
	Male	Female	Male	Female
Senior management	296	25	92.2%	7.8%
Middle management	6,243	1,428	81.4%	18.6%
Junior employees	36,844	14,209	72.2%	27.8%
Fixed-term contractual employees	13,130	4,355	75.1%	24.9%
Other employees	1,018	373	73.2%	26.8%
Total full-time employees	**57,531**	**20,390**	**73.8%**	**26.2%**
Other part-time employees	-	2	-	100.0%
Total employees	**57,531**	**20,392**	**73.8%**	**26.2%**

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA GROUP- WORKFORCE BREAKDOWN BY GENDER FY 2023-24*

Category	Number		Percentage	
	Male	Female	Male	Female
Senior management	513	46	91.8%	8.2%
Middle management	10,715	2,267	82.5%	17.5%
Junior employees	58,731	19,175	75.4%	24.6%
Fixed-term contractual employees	18,344	5,278	77.7%	22.3%
Other employees	1,019	373	73.2%	26.8%
Total full-time employees	**89,322**	**27,139**	**76.7%**	**23.3%**
Part-time employees of Insurance companies	11,290	7,708	59.4%	40.6%
Other part-time employees	-	2	-	100.0%
Total employees	**100,612**	**34,849**	**74.3%**	**25.7%**

**Some of the board members hold positions on the board of more than one company among the Bank and its subsidiaries. Therefore, board diversity cannot be depicted by consolidation of directors in a single list at a Group level.*

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA BANK- AGE-WISE COMPOSITION OF EMPLOYEES FOR FY 2023-24

Category	Number			Percentage		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	206	115	-	64.2%	35.8%
Middle management	241	7,113	317	3.1%	92.7%	4.1%
Junior employees	26,973	23,962	118	52.8%	46.9%	0.2%
Fixed-term contractual employees	12,457	5,012	16	71.2%	28.7%	0.1%
Other employees	21	327	1,043	1.5%	23.5%	75.0%
Full-time employees	**39,692**	**36,620**	**1,609**	**50.9%**	**47.0%**	**2.1%**
Other part-time employees	-	2	-	-	100.0%	-
Total employees	**39,692**	**36,622**	**1,609**	**50.9%**	**47.0%**	**2.1%**

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

[1] GRI 2-7, 405-1

KOTAK MAHINDRA GROUP- AGE-WISE COMPOSITION OF EMPLOYEES FOR FY 2023-24*

Category	Number			Percentage		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	357	202	-	63.9%	36.1%
Middle management	752	11,608	622	5.8%	89.4%	4.8%
Junior employees	43,250	34,389	267	55.5%	44.1%	0.3%
Fixed-term contractual employees	16,728	6,862	32	70.8%	29.0%	0.1%
Other employees	21	327	1,044	1.5%	23.5%	75.0%
Total full-time employees	**60,751**	**53,543**	**2,167**	**52.2%**	**46.0%**	**1.9%**
Part-time employees of Insurance companies	1,772	8,672	8,554	9.3%	45.6%	45.0%
Other part-time employees	-	2	-	-	100.0%	-
Total employees	**62,523**	**62,217**	**10,721**	**46.2%**	**45.9%**	**7.9%**

**Some of the board members hold positions on the board of more than one company among the Bank and its subsidiaries. Therefore, board diversity cannot be depicted by consolidation of directors in a single list at a Group level.*

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

NEW JOINEES[2]

The hire rates have been calculated with the formula: No. of persons who joined the organisation in the FY *100 / Total number of persons in that category as on 31st March, 2024.

KOTAK MAHINDRA BANK- NEW JOINEES BY GENDER FOR FY 2023-24

Category	Number		Rate	
	Male	Female	Male	Female
Senior management	26	-	8.8%	-
Middle management	1,304	292	20.9%	20.4%
Junior employees	18,800	7,267	51.0%	51.1%
Fixed-term contractual employees	10,860	3,958	82.7%	90.9%
Other employees	3	-	0.3%	-
Other part-time employees	-	2	-	100%
Total employees	**30,993**	**11,519**	**53.9%**	**56.5%**

KOTAK MAHINDRA GROUP- NEW JOINEES BY GENDER FOR FY 2023-24

Category	Number		Rate	
	Male	Female	Male	Female
Senior management	40	3	7.8%	6.5%
Middle management	2,208	480	20.6%	21.2%
Junior employees	32,730	9,906	55.7%	51.7%
Fixed-term contractual employees	14,749	4,671	80.4%	88.5%
Other employees	3	-	0.3%	-
Part-time employees of Insurance companies	5,834	3,950	51.7%	51.2%
Other part-time employees	-	2	-	100%
Total employees	**55,564**	**19,012**	**55.2%**	**54.6%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

[2] GRI 401-1

KOTAK MAHINDRA BANK- NEW JOINEES BY AGE FOR FY 2023-24

Category	Number			Rate		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	22	4	-	10.7%	3.5%
Middle management	160	1,431	5	66.4%	20.1%	1.6%
Junior employees	17,410	8,655	2	64.5%	36.1%	1.7%
Fixed-term contractual employees	12,020	2,796	2	96.5%	55.8%	12.5%
Other employees	2	1	-	9.5%	0.3%	-
Other part-time employees	-	2	-	-	100.0%	-
Total employees	**29,592**	**12,907**	**13**	**74.6%**	**35.2%**	**0.8%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA GROUP- NEW JOINEES BY AGE FOR FY 2023-24

Category	Number			Rate		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	38	5	-	10.6%	2.5%
Middle management	376	2,300	12	50.0%	19.8%	1.9%
Junior employees	29,658	12,934	44	68.6%	37.6%	16.5%
Fixed-term contractual employees	15,544	3,871	5	92.9%	56.4%	15.6%
Other employees	2	1	-	9.5%	0.3%	-
Part-time employees of Insurance companies	1,225	4,674	3,885	69.1%	53.9%	45.4%
Other part-time employees	-	2	-	-	100.0%	-
Total employees	**46,805**	**23,820**	**3,951**	**74.9%**	**38.3%**	**36.9%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

WORKFORCE TURNOVER DATA#3

Turnover also includes attrition on account of death, superannuation, disciplinary action and non-regrettable exits by employees with low performance. The turnover rates have been calculated with the formula: No. of persons who have left the employment of the entity in the FY *100)/Average no. of persons employed in the category. In line with the BRSR guidance, Average number of persons employed in a category has been calculated as (Persons employed in the category at the beginning of FY + Persons employed in the category at the end of FY)/2.

KOTAK MAHINDRA BANK- PERMANENT EMPLOYEE TURNOVER BY GENDER FOR FY 2023-24

Category	Number		Rate	
	Male	Female	Male	Female
Senior management	40	5	13.8%	18.5%
Middle management	1,097	227	18.8%	17.1%
Junior employees	15,760	5,820	44.1%	42.8%
Other employees	108	29	10.1%	7.5%
Other part-time employees	-	1	-	66.7%
Total permanent employees	**17,005**	**6,082**	**39.6%**	**39.7%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

3 GRI 401-1

KOTAK MAHINDRA BANK- PERMANENT EMPLOYEE TURNOVER BY AGE FOR FY 2023-24

Category	Number			Rate		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	20	25	-	9.8%	22.2%
Middle management	38	1,261	25	20.7%	18.8%	8.7%
Junior employees	13,066	8,506	8	49.5%	37.2%	7.4%
Other employees	-	2	135	-	0.5%	12.6%
Other part-time employees	-	1	-	-	66.7%	-
Total permanent employees	**13,104**	**9,790**	**193**	**49.3%**	**32.5%**	**12.2%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA GROUP- PERMANENT EMPLOYEE TURNOVER BY GENDER FOR FY 2023-24

Category	Number		Rate	
	Male	Female	Male	Female
Senior management	63	6	12.8%	13.5%
Middle management	1,989	416	19.9%	19.8%
Junior employees	25,846	7,582	47.4%	42.3%
Other employees	120	34	11.2%	8.8%
Other part-time employees	-	1	-	50.0%
Total permanent employees	**28,018**	**8,039**	**42.4%**	**39.3%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA GROUP- PERMANENT EMPLOYEE TURNOVER BY AGE FOR FY 2023-24

Category	Number			Rate		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Senior management	-	39	30	-	11.2%	16.0%
Middle management	152	2,182	71	22.2%	20.1%	12.6%
Junior employees	20,933	12,468	27	52.4%	38.6%	11.7%
Other employees	14	5	135	62.2%	1.4%	12.6%
Other part-time employees	-	1	-	-	50.0%	-
Total permanent employees	**21,099**	**14,695**	**263**	**51.9%**	**33.5%**	**12.8%**

Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

EMPLOYEE TRAINING AND DEVELOPMENT[#]

KOTAK MAHINDRA BANK: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR FY 2023-24[4]

Category	Average Classroom Training Hours	Average LMS Training Hours	Average Training Hours
Senior management	13.5	1.7	15.2
Middle management	17.4	12.3	29.7
Junior employees	28.8	25.4	54.2
Other employees	4.7	4.3	9.0
Temporary/Contractual employees	3.1	8.4	11.5
Total average training hours per employee	**21.0**	**20.0**	**41.0**

Note : To track training hours conducted through the Bank's Learning Management System (LMS), we have estimated training hours to be of 45 minutes (for long duration) and 15 minutes (for short duration) . Actual training hours are taken for classroom training.

[#]Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA BANK: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR FY 2023-24[4]

Category	Male			Female		
	Average Classroom Training Hours	Average LMS Training Hours	Average Training Hours	Average Classroom Training Hours	Average LMS Training Hours	Average Training Hours
Permanent employees	26.5	20.3	46.8	31.9	26.5	58.4
Temporary/Contractual employees	3.0	6.7	9.7	3.3	14.0	17.3

Note : To track training hours conducted through the Bank's Learning Management System (LMS), we have estimated training hours to be of 45 minutes (for long duration) and 15 minutes (for short duration). Actual training hours are taken for classroom training.

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator

KOTAK MAHINDRA BANK: CADRE WISE PERFORMANCE REVIEW FY 2023-24[5]

Category	Number of employees who underwent performance review		Percentage of employees who underwent performance review	
	Male	Female	Male	Female
Senior management	249	24	84.1%	96.0%
Middle management	5,659	1,298	90.7%	90.9%
Junior employees	30,230	11,864	82.1%	83.5%
Other employees	1,014	372	99.6%	99.7%
Total employees	**37,152**	**13,558**	**83.7%**	**84.6%**

Note: All employees who are eligible for performance appraisal underwent career development reviews. Temporary/contractual employees and employees on probation are not eligible for performance review.

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

[4] GRI 404-1

[5] GRI 404-3

PARENTAL LEAVES[#6]

KOTAK MAHINDRA BANK: PARENTAL LEAVES AVAILED BY PERMANENT EMPLOYEES DURING FY 2023-24

Category	Male	Female
Number of employees that took parental leave	2,043	817
Number of employees who returned to work after parental leave ended	2,042	812
Number of employees who returned to work after parental leave ended that were still employed 12 months after their return	1,059	353

[#]Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

KOTAK MAHINDRA BANK: GENDER PAY RATIO BY CADRE FOR PERMANENT EMPLOYEES FOR FY 2023-24 [7]

Category	Ratio of CTC Female: Male (Average CTC)	Ratio of Basic Female: Male (Average Basic)
Senior management	1.10	1.20
Middle management	0.92	0.93
Junior employees	0.91	0.93
Other employees	0.78	0.77

[#] Limited assurance undertaken by Price Waterhouse Chartered Accountants LLP for the indicator.

[6] GRI 401-3 a,b,c,d

[7] GRI 405-2

GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number/ Direct Response
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report (ii), 4
	2-2 Entities included in the organization's sustainability reporting	About this Report (ii), 258
	2-3 Reporting period, frequency and contact point	About this Report (ii)
	2-4 Restatements of information	About this Report (ii)
	2-5 External assurance	About this Report (ii)
	2-6 Activities, value chain and other business relationships	14
	2-7 Employees	74, 387, 422
	2-8 Workers who are not employees	387
	2-9 Governance structure and composition	294
	2-10 Nomination and selection of the highest governance body	311
	2-11 Chair of the highest governance body	295
	2-12 Role of the highest governance body in overseeing the management of impacts	57
	2-14 Role of the highest governance body in sustainability reporting	57
	2-15 Conflicts of interest	337, 394
	2-16 Communication of critical concerns	389, 404
	2-17 Collective knowledge of the highest governance body	294, 392
	2-18 Evaluation of the performance of the highest governance body	260
	2-19 Remuneration policies	212, 304
	2-20 Process to determine remuneration	212, 304
	2-21 Annual total compensation ratio	216, 287
	2-22 Statement on sustainable development strategy	390
	2-23 Policy commitments	53, 255, 419
	2-24 Embedding policy commitments	53
	2-25 Processes to remediate negative impacts	73, 84
	2-26 Mechanisms for seeking advice and raising concerns	73, 339, 389
	2-27 Compliance with laws and regulations	263, 392
	2-28 Membership associations	414
	2-29 Approach to stakeholder engagement	43, 402-403
	2-30 Collective bargaining agreements	84, 399
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42
	3-2 List of material topics	43, 44
	3-3 Management of material topics	44, 53, 64, 74, 82, 83, 86
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	111
	201-2 Financial Implications and other risks and opportunities due to climate change	51
	201-3 Defined benefit plan obligations and other retirement plans	138, 398
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	415
GRI 205: Anti-corruption 2016	205-2 Communications and training about anti-corruption policies and procedures	53
	205-3 Confirmed incidents of corruption and actions taken	394
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	54, 414

GRI Standard	Disclosure	Page Number/ Direct Response
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64, 65, 308
	302-3 Energy intensity	64, 408
	302-4 Reduction of energy consumption	64, 65
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	68, 409
	303-4 Water discharge	68, 409
	303-5 Water consumption	68, 409
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66, 410
	305-2 Energy indirect (Scope 2) GHG emissions	66, 410
	305-3 Other indirect (Scope 3) GHG emissions	67, 413
	305-4 GHG emissions intensity	67, 410
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	68
	306-2 Management of significant waste-related impacts	68
	306-3 Waste generated	68, 411
	306-4 Waste diverted from disposal	68, 411
	306-5 Waste directed to disposal	68, 411
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	75, 388, 423, 424
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	79, 397
	401-3 Parental leave	79, 398, 427
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	83, 400
	403-2 Hazard identification, risk assessment, and incident investigation	83
	403-3 Occupational health services	400
	403-4 Worker participation, consultation, and communication on occupational health and safety	84
	403-5 Worker training on occupational health and safety	84, 399
	403-6 Promotion of worker health	84, 401
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	84
	403-8 Workers covered by an occupational health and safety management system	84
	403-9 Work-related injuries	83, 400
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	78, 426
	404-2 Programs for upgrading employee skills and transition assistance programs	76, 392, 399
	404-3 Percentage of employees receiving regular performance and career development reviews	76, 399, 426
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52, 82, 387, 422
	405-2 Ratio of basic salary and remuneration of women to men	427
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	84, 406
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	87, 268

TCFD INDEX

TCFD Pillar	Recommended Pillar	Report Section	Page No.
Governance	Board's oversight of climate-related risks and opportunities	Risk Management	51, 57
	Management's role in assessing and managing climate-related risks and opportunities	Risk Management	51
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Risk Management	51
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Risk Management	51
	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree or lower scenario	Risk Management	51
Risk Management	Organisation's processes for identifying and assessing climate-related risks	Risk Management	51
	Organisation's processes for managing climate related Risks	Risk Management	51
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk Management	51
Metrics and Targets	Metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	Risk Management	51
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Embracing Sustainability	64-68
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Embracing Sustainability	-

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Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Kotak Mahindra Bank Limited's Integrated Annual Report, which includes the Business Responsibility and Sustainability Report

To the Board of Directors of Kotak Mahindra Bank Limited

We have undertaken to perform a reasonable assurance engagement for Kotak Mahindra Bank Limited (the "Bank") vide our Engagement Letter dated April 15, 2024, and amendments thereto in respect of the agreed Sustainability Information referred to in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in:

(a) The Business Responsibility and Sustainability Report ("BRSR") section in the Integrated Annual Report of the Bank for the financial year ended March 31, 2024, (the "Integrated Annual Report") pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"); and

(b) the "GRI Content Index" section in the Integrated Annual Report of the Bank for the financial year ended March 31, 2024.

This engagement was conducted by a team comprising assurance practitioners and environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our reasonable assurance engagement was with respect to the financial year ended March 31, 2024, information only and we have not performed any procedures with respect to prior periods or any other elements included in the Integrated Annual Report, which includes the BRSR, other than those listed in Appendix 1 to this report and, therefore, do not express any opinion thereon.

Criteria

The criteria used by the Bank to prepare the Identified Sustainability Information are as follows:

(a) In respect of the information summarised in Part A "BRSR Core Indicators" in the Appendix 1 to this report, the criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("KPIs")/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as specified by SEBI vide circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the "SEBI Circular").

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Independent Practitioner's Reasonable Assurance Report
Page 2 of 8

(b) In respect of the Identified Sustainability Indicators in the GRI Content Index included in the Integrated Annual Report and summarised in Part B "GRI Indicators" in Appendix 1 to this report, the criteria used is the Global Reporting Initiative Standards, 2021 ("GRI Standards").

Management's Responsibilities

The Bank's Management is responsible for determining the Reporting Boundary of the Integrated Annual Report including the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circular and the GRI Standards, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, which includes the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Bank are also responsible for overseeing the Bank's compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the BRSR, and the GRI Standards in relation to the Identified Sustainability Information in GRI Content Index included in the Integrated Annual Report.

Inherent Limitations in Preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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Independent Practitioner's Reasonable Assurance Report
Page 3 of 8

Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements ("SAE") 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made enquiries of Bank's Management, including the various teams such as ESG team, Corporate Social Responsibility (CSR) team, etc., and those with responsibility for managing Bank's Annual Reporting.
- Obtained an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1, including at the sites and corporate office visited. This did not include testing of the operating effectiveness of management systems and controls.
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Performed substantive testing on a sample basis of the Identified Sustainability Information within the standalone boundary to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data.
- Checked the consolidation for various sites and corporate office under the standalone reporting boundary (as mentioned in the Integrated Annual Report, which includes the BRSR) for ensuring the completeness of data being reported.
- Assessed the level of adherence to GRI Standards and the BRSR Core followed in preparing the Integrated Annual Report, including the BRSR.
- Assessed the Integrated Annual Report, which includes the BRSR, for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report, which includes the BRSR, on performance with respect to Identified Sustainability Information and the relevant source data/information.
- Where applicable for the Identified Sustainability Information in the Integrated Annual Report, which includes the BRSR, we have relied on the information in the audited books and records and audited standalone financial statements of the Bank for the year ended March 31, 2024.

Price Waterhouse Chartered Accountants LLP

Independent Practitioner's Reasonable Assurance Report
Page 4 of 8

- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Bank's Management.

Exclusions

Our reasonable assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Bank other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the Integrated Annual Report, and data/ information (qualitative or quantitative) included in the Integrated Annual Report, other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Bank and testing or assessing any forward-looking assertions and/or data.

Opinion

Based on the procedures performed and the evidence obtained, the Bank's Identified Sustainability Information summarised in Appendix 1 to this report and included in the Integrated Annual Report, which includes the BRSR, for the financial year ended March 31, 2024, are prepared, in all material respects, in accordance with the Criteria.

Emphasis of Matter

We draw your attention to the following:

(a) Notes to the BRSR under Section 'C' Principle 6 'Businesses should respect and make efforts to protect and restore the environment' – Essential Indicator 1 - 'Details of total energy consumption and energy intensity', Essential Indicators 3 and 4 - 'Details related to Water', Essential Indicator 7 - 'Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity' and Essential Indicator 9 - 'Details related to Waste Management'; and

(b) Notes under the GRI Indicators 303-5 'Water Consumption', 306-3 'Waste Generated', 306-4 'Waste diverted from Disposal' and 306-5 'Waste directed to Disposal',

which describe the change in methodology and assumptions considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024.

Our opinion is not modified in respect of this matter.

Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Bank or otherwise. Nothing in this deliverable, nor anything said or done in the course of or in connection with the services that are the subject of this deliverable, will extend any duty of care we may have in our capacity as auditors of the Bank. This deliverable has been issued solely at the request of the Board of Directors of the Bank to whom it

Price Waterhouse Chartered Accountants LLP

Independent Practitioner's Reasonable Assurance Report
Page 5 of 8

is addressed, solely to comply with the requirements of SEBI Circular and LODR Regulations, in reporting the Bank's sustainability performance and activities and for publishing the same in the Bank's Integrated Annual Report, which includes the BRSR. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SUMIT SHASHIKANT SETH
Digitally signed by SUMIT SHASHIKANT SETH
Date: 2024.07.10 19:22:38 +05'30'

Sumit Seth
Partner
Membership Number: 105869
UDIN: 24105869BKFWUS1597
Place: Mumbai
Date: July 10, 2024

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Independent Practitioner's Reasonable Assurance Report
Page 6 of 8

Appendix 1
Identified Sustainability Information
Part A. BRSR Core Indicators (Refer Note below)

S. No.	Principle/ Indicator Reference	Attribute	Parameter
1.	Principle 6 – E7	Green-house gas (GHG) footprint	1. Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO_2e) into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available) 3. GHG Emission Intensity (Scope 1+2) a) Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP b) Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services
2.	Principle 6 – E3 and E4	Water footprint	1. Total water consumption 2. Water consumption intensity a) Water Intensity per rupee of turnover adjusted for PPP b) Water Intensity in terms of physical output 3. Water Discharge by destination and levels of Treatment
3.	Principle 6 – E1	Energy Footprint	1. Total Energy Consumed 2. % of energy consumed from renewable sources 3. Energy intensity a) Energy Intensity per rupee of turnover adjusted for PPP b) Energy Intensity in terms of physical output
4.	Principle 6 – E9	Embracing circularity-details related to waste management by the entity	1. Plastic waste (A) 2. E-waste (B) 3. Bio-medical waste (C) 4. Construction and demolition waste (D) 5. Battery waste (E) 6. Radioactive waste (F) 7. Other Hazardous waste (G) 8. Other Non-hazardous waste generated (H) 9. Total waste generated ((A+B + C + D + E + F + G + H) 10. Waste intensity a) Waste Intensity per rupee of turnover adjusted for PPP b) Waste Intensity in terms of physical output 11. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations. 12. For each category of waste generated, total waste disposed by nature of disposal method.

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Independent Practitioner's Reasonable Assurance Report
Page 7 of 8

S. No.	Principle/ Indicator Reference	Attribute	Parameter
5.	Principle 3 – E1(C) Principle 3 – E11	Enhancing employee wellbeing and Safety	1. Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the Bank. 2. Details of safety related incidents for employees and workers a) Number of Permanent Disabilities b) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) c) No. of fatalities
6.	Principle 5 – E3(b) Principle 5 – E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of wages paid. 2. Complaints on POSH a) Total Complaints on Sexual Harassment (POSH) reported. b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and directly from within India. 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events. 2. Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	1. Concentration of purchases & sales done with trading houses, dealers, and related parties a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from. c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made. f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors. 2. Loans and advances & investments with related parties Share of RPTs (as respective %age) in- a) Purchases b) Sales c) Loans & advances d) Investments

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Independent Practitioner's Reasonable Assurance Report
Page 8 of 8

For BRSR indicators, "E" indicates Essential indicator.

Part B. GRI Indicators (Refer Note below)

S.No.	Indicator No.	Indicator Name
1	303-5	Water consumption
2	306-3	Waste generated
3	306-4	Waste diverted from disposal
4	306-5	Waste directed to disposal
5	403-9	Work-related injuries

Note:

The Reporting Boundary for the above indicators is on a standalone basis.

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Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in Kotak Mahindra Bank Limited's Integrated Annual Report, which includes the Business Responsibility and Sustainability Report

To the Board of Directors of Kotak Mahindra Bank Limited

We have undertaken to perform a limited assurance engagement for Kotak Mahindra Bank Limited (the "Bank") vide our Engagement Letter dated April 15, 2024, and amendments thereto in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in:

(a) the "GRI Content Index" section in the Integrated Annual Report of the Bank for the financial year ended March 31, 2024 (the" Integrated Annual Report"); and

(b) the Business Responsibility and Sustainability Report ("BRSR") section of the Integrated Annual Report, prepared by the Bank pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations").

This engagement was conducted by a team comprising assurance practitioners and environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024, information only and we have not performed any procedures with respect to prior periods or any other elements included in the Integrated Annual Report, which includes the BRSR, other than those listed in Appendix 1 to this report, and therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Bank to prepare the Identified Sustainability Information are as follows:

(a) In respect of the selected BRSR Indicators summarised in Part A "BRSR Indicators" in the Appendix 1 to this report and included in the BRSR, the criteria used is the set of Key Performance Indicators ("KPIs") / metrics under Section A - General Disclosures and Section C - Principle wise Performance Disclosures under the nine Environmental, Social and Governance ("ESG") principles, as specified by SEBI vide circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the "SEBI Circular").

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Independent Practitioner's Limited Assurance Report
Page 2 of 8

(b) In respect of the Identified Sustainability Indicators in the GRI Content Index included in the Integrated Annual Report and summarised in Part B "GRI Indicators" in the Appendix 1 to this report, the criteria used is the Global Reporting Initiative Standards, 2021 (the "GRI Standards").

Management's Responsibilities

The Bank's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation, and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, which includes the BRSR, and measurement of the Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Bank are also responsible for overseeing the Bank's compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the BRSR, and the GRI Standards in relation to the Identified Sustainability Information in GRI Content Index included in the Integrated Annual Report.

Inherent Limitations in Preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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Independent Practitioner's Limited Assurance Report
Page 3 of 8

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Bank's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made inquiries of Bank's Management, including the various teams such as ESG team, Corporate Social Responsibility (CSR) team, etc., and those with the responsibility for managing Bank's Annual Reporting.
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording, and reporting on the Identified Sustainability Information as per Appendix 1 to this report, including at the sites and corporate office visited. This did not include testing of the design and operating effectiveness of management systems and controls.
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Checked the consolidation for the boundary (as mentioned in the Integrated Annual Report, which includes the BRSR) for ensuring the completeness of data being reported.

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Independent Practitioner's Limited Assurance Report
Page 4 of 8

- Performed limited substantive testing on a sample basis of the Identified Sustainability Information within the boundary to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data.
- Assessed the level of adherence to GRI Standards and BRSR followed by the Bank in preparing the Integrated Annual Report, including the BRSR.
- Assessed the Integrated Annual Report, which includes the BRSR, for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report, including the BRSR, on performance with respect to Identified Sustainability Information and relevant source data/information.
- Where applicable for the Identified Sustainability Information in the Integrated Annual Report, which includes the BRSR, we have relied on the information in the audited books and records and audited consolidated/standalone financial statements of the Bank for the year ended March 31, 2024.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Bank's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- **Operations of the Bank other than the Identified Sustainability Information listed in Appendix 1 to this report.**
- **Aspects of the Integrated Annual Report, and data/ information (qualitative or quantitative) included in the Integrated Annual Report, other than the Identified Sustainability Information.**
- **Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024.**
- **The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Bank and testing or assessing any forward-looking assertions and/or data.**

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Bank's Identified Sustainability Information summarised in Appendix 1 to this report and included in the Integrated Annual Report, which includes the BRSR, for the financial year ended March 31, 2024, is not prepared, in all material respects, in accordance with the Criteria.

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Independent Practitioner's Limited Assurance Report
Page 5 of 8

Emphasis of Matter

We draw your attention to the following:

a) **Notes included in the BRSR under Section 'C' Principle 9 'Businesses should engage with and provide value to their consumers in a responsible manner' – Essential Indicator 3 'Number of consumer complaints', which describes the change in methodology considered by the Bank for disclosing consumer complaints in respect of 'Delivery of Essential Services' for the financial year ended March 31, 2024 and Section 'C' Principle 6 'Businesses should respect and make efforts to protect and restore the environment' – Leadership Indicator 2 - 'Details of total Scope 3 emissions and its intensity', which describes the change in methodology considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024.**

b) **Notes under the GRI Indicators 302-1 'Energy consumption within the organization', 302-3 'Energy intensity', 305-1 'Direct (Scope 1) GHG emissions', 305-2 'Energy indirect (Scope 2) GHG emissions' 305-3 'Other indirect (Scope 3) GHG emissions' and 305-4 'GHG emissions intensity', which describes the change in methodology considered by the Bank in measuring and estimating the aforesaid disclosures for the financial year ended March 31, 2024.**

Our opinion is not modified in respect of these matters.

Restriction on Use

Our obligations in respect of this deliverable are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Bank or otherwise. Nothing in this deliverable, nor anything said or done in the course of or in connection with the services that are the subject of this deliverable, will extend any duty of care we may have in our capacity as auditors of the Bank. This deliverable has been issued solely at the request of the Board of Directors of the Bank to whom it is addressed, solely to assist the Bank in reporting the Bank's sustainability performance and activities and for publishing the deliverable in the Integrated Annual Report. Our deliverable should not be used for any other purpose or by any persons other than the addressees of our deliverable. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other persons to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SUMIT SHASHIKANT SETH

Digitally signed by SUMIT SHASHIKANT SETH
Date: 2024.07.10 19:22:01 +05'30'

Sumit Seth
Partner
Membership Number: 105869
UDIN: 24105869BKFWUT5270
Place: Mumbai
Date: July 10, 2024

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Independent Practitioner's Limited Assurance Report
Page 6 of 8

Appendix 1
Identified Sustainability Information
Part A - List of other BRSR Indicators for Limited Assurance

S. No.	Indicator No.	Indicator Name	Boundary (Refer Note: 1 below)
1	Section A – 20a	Number and percentage of Gender-wise Employees and Workers (including differently abled)	Standalone
2	Section A – 20b	Number and percentage of Gender-wise Differently abled Employees and workers	Standalone
3	Section A- 21	Number and percentage Gender Diversity of Representation of Women in Board of Directors and Key Managerial Personnels	Standalone
4	Section A- 22	Turnover rate for permanent employees and workers	Standalone
5	Section C – Principle 1 – E1	Percentage coverage by training and awareness programmes on any of the Principles during the financial year	Standalone
6	Section C – Principle 1 –E6	Details of complaints with regard to conflict of interest (Director, Key Managerial Personnels)	Standalone
7	Section C – Principle 3 – E1(a) and (b)	Details of measures for the well-being of employees and workers	Standalone
8	Section C- Principle 3- E2	Details of retirement benefits, for Current Financial Year (excluding deductions and deposits with the authority which are not part of assurance scope)	Standalone
9	Section C- Principle 3- E5	Return to work and Retention rates of permanent employees and workers that took parental leave	Standalone
10	Section C – Principle 3 –E7	Membership of employees and worker in association(s) or Unions recognised by the listed entity	Standalone
11	Section C – Principle 3 –E8	Details of training given to employees and workers	Standalone
12	Section C- Principle 3- E9	Details of performance and career development reviews of employees and worker	Standalone
13	Section C- Principle 3- E10	Health and safety management system	Standalone
14	Section C – Principle 3 –E13	Number of Complaints on working conditions & Health safety made by employees and workers	Standalone
15	Section C – Principle 3 –E14	Assessments for the year (Health and safety practices, Working Conditions)	Standalone
16	Section C – Principle 3 –L3	Number of employees and workers having suffered high consequence work related injury / ill-health / fatalities, who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	Standalone
17	Section C- Principle 5- E1	Number and Percentage of Employees and workers who have been provided training on human rights issues and policies of the entity	Standalone

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Independent Practitioner's Limited Assurance Report
Page 7 of 8

S. No.	Indicator No.	Indicator Name	Boundary (Refer Note: 1 below)
18	Section C – Principle 5 – E2	Details of minimum wages paid to employees and workers	Standalone
19	Section C – Principle 5 – E3(a)	Details of median remuneration/salary/wages	Standalone
20	Section C – Principle 5 – E6	Number of Complaints on Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues made by employees and workers (excluding complaints on Sexual Harassment which is not part of assurance scope)	Standalone
21	Section C- Principle 6- L2	Details of total Scope 3 emissions & its intensity	Standalone
22	Section C- Principle 9- E3	Number of consumer complaints in respect Delivery of Essential Services (number of other types of complaints are not part of assurance scope)	Standalone

For BRSR indicators, "E" indicates Essential indicator and "L" indicates Leadership indicator.

Part B. List of agreed Indicators for Limited Assurance (as per GRI Standards)

S. No.	Indicator No.	Indicator Name	Boundary (Refer Note: 2 below)
1	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Standalone
2	305-3	Other indirect (Scope 3) GHG emissions	Standalone
3	306-1	Waste generation and significant waste-related impacts	Standalone
4	306-2	Management of significant waste-related impacts	Standalone
5	401-1	New employee hires and employee turnover	Consolidated
6	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Standalone
7	401-3	Parental leave	Standalone
8	403-1	Occupational health and safety management system	Standalone
9	403-2	Hazard identification, risk assessment, and incident investigation	Standalone
10	403-3	Occupational health services	Standalone
11	403-4	Worker participation, consultation, and communication on occupational health and safety	Standalone
12	403-5	Worker training on occupational health and safety	Standalone
13	403-6	Promotion of worker health	Standalone

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Independent Practitioner's Limited Assurance Report
Page 8 of 8

S. No.	Indicator No.	Indicator Name	Boundary (Refer Note: 2 below)
14	403-8	Workers covered by an occupational health and safety management system	Standalone
15	404-1	Average hours of training per year per employee	Standalone
16	404-2	Programs for upgrading employee skills and transition assistance programs	Standalone
17	404-3	Percentage of employees receiving regular performance and career development reviews	Standalone
18	405-1	Diversity of governance bodies and employees	Consolidated
19	405-2	Ratio of basic salary and remuneration of women to men	Standalone
20	406-1	Incidents of Discrimination and Corrective Actions Taken	Standalone
21	413-1	Operations with local community engagement, impact assessments, and development programs	Standalone
22	302-1	Energy consumption within the organization	Consolidated
23	302-3	Energy intensity	Consolidated
24	305-1	Direct (Scope 1) GHG emissions	Consolidated
25	305-2	Energy indirect (Scope 2) GHG emissions	Consolidated
26	305-4	GHG emissions intensity	Consolidated

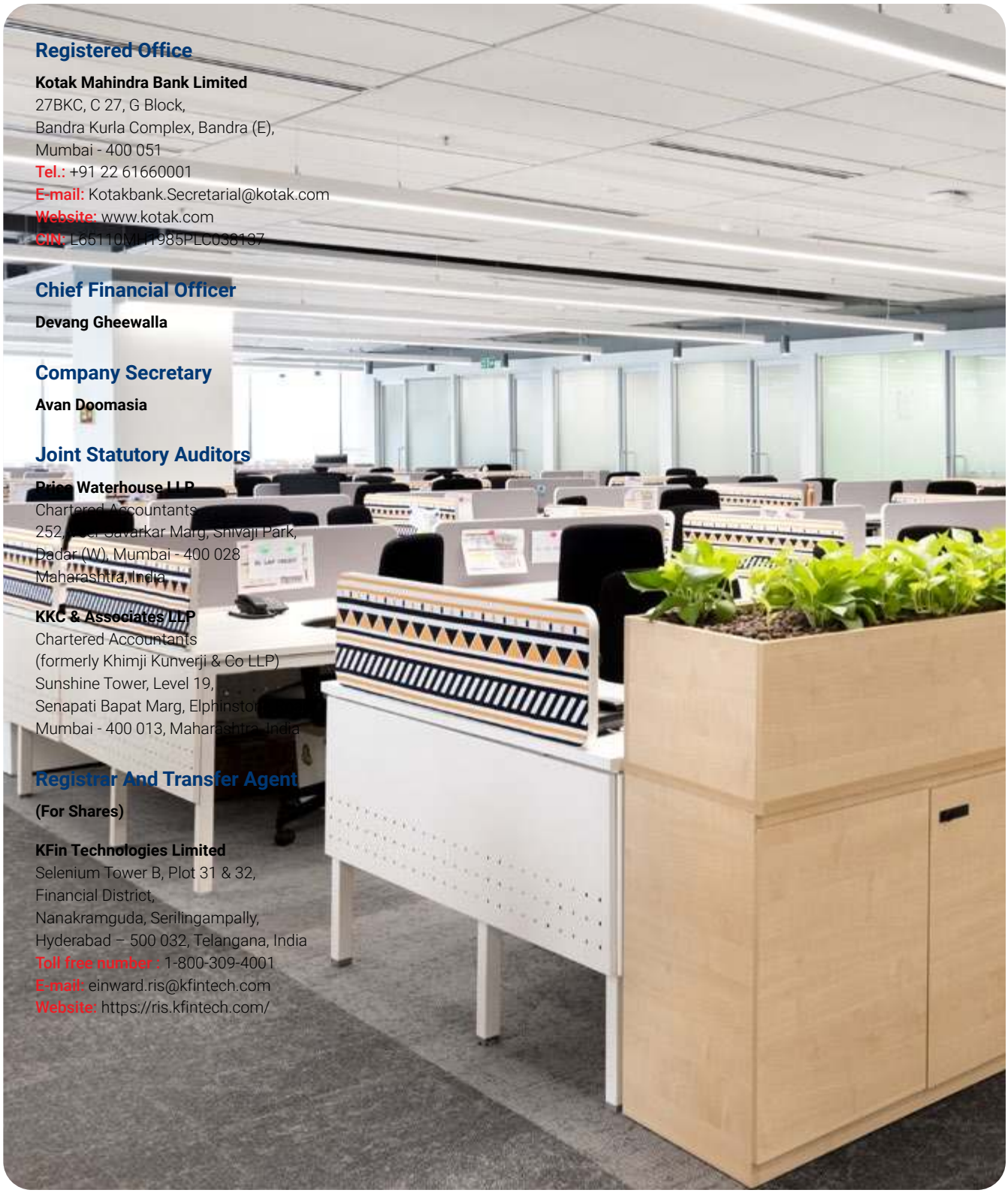
Note:

1) The Reporting Boundary for BRSR is on a standalone basis as described under Question No. 13 of Section A of the BRSR; and

2) The GRI Indicators are disclosed on a standalone basis, except for certain indicators, which have been disclosed both on a standalone and consolidated basis as described under "Organizational Boundary for ESG Disclosures" section of the Integrated Annual Report.

Notes

Corporate information



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Devang Gheewalla

Company Secretary

Avan Doomasia

Joint Statutory Auditors

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