

Standalone Financial Highlights 2020-2021

(₹ in crore)

FINANCIAL HIGHLIGHTS	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Deposits	157,426	192,643	225,880	262,821	280,100
Advances	136,082	169,718	205,695	219,748	223,689
Investments	45,074	64,562	71,189	75,052	105,099
Total Assets	214,590	264,933	312,172	360,252	383,489
Net Interest Income	8,079	9,472	11,206	13,500	15,340
Fee Income	2,168	2,825	3,444	3,779	3,384
Other Non Interest Income	1,356	1,288	1,213	1,593	2,075
Operating profit	5,985	7,158	8,348	10,021	12,215
Provisions and Contingencies	837	940	962	2,216	2,912
Tax Provision	1,737	2,134	2,520	1,858	2,338
Net Profit	3,411	4,084	4,865	5,947	6,965
KEY FINANCIAL INDICATORS					
Net Interest Margins	4.5%	4.3%	4.3%	4.6%	4.4%
Cost to Income Ratio	48%	47%	47%	47%	41%
Return on Average Assets	1.7%	1.7%	1.7%	1.9%	1.9%
Fee / NII Plus other Income	18.7%	20.8%	21.7%	20.0%	16.3%
NII / NII Plus other Income	69.6%	69.7%	70.6%	71.5%	73.8%
Capital Adequacy Ratio	16.8%	18.2%	17.5%	17.9%	22.3%
Tier I	15.9%	17.6%	16.9%	17.3%	21.4%
Gross NPA Ratio	2.6%	2.2%	2.1%	2.3%	3.3%
Net NPA Ratio	1.3%	1.0%	0.8%	0.7%	1.2%

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

Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of **Kotak Mahindra Bank Limited** ('the Bank'), which comprise the Balance Sheet as at 31 March 2021, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 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 ('Act') and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing 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.

Emphasis of Matter

- We draw attention to Schedule 17 Note B of the accompanying standalone financial statements which describes the uncertainties associated due to the outbreak of Coronavirus (COVID-19). The impact of these uncertainties on the Bank's standalone financial statements is dependent on the future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

- 1. Identification and provisioning of non-performing assets ('NPAs') including implementation of RBI COVID-19 Relief Measures**

As at 31 March 2021, the Bank reported total advances (net of provisions) of ₹ 2,23,689 crores, gross NPAs of ₹ 7,426 crores and provision for non-performing assets of ₹ 4,720 crores. The provision coverage ratio after considering technical write-off as at 31 March 2021 is 70.23%. (Refer Schedule 17 Note C(2) for the accounting policy, Schedule 9, Schedule 18A Note 9 and Note 11)

Key audit matter	How our audit addressed the key audit matter
<p>The Reserve Bank of India's ('RBI') guidelines on Income Recognition and Asset Classification prescribes the prudential norms for identification and classification of NPAs ('IRAC norms') 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 by applying quantitative as well as qualitative factors.</p> <p>The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision for identified NPAs is estimated based on ageing and classification of NPAs, value of security, recovery estimates and other qualitative factors and is also subject to the minimum provisioning norms specified by RBI.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> Understood the process and controls and tested the design and operating effectiveness of key controls, including IT based controls, focusing on the following: <ul style="list-style-type: none"> Approval of new lending facilities in accordance with the Bank's credit policies and the performance of annual loan assessments; Controls over the monitoring of credit quality which amongst other things includes the monitoring of overdue reports, drawing power limit, pending security creation; Identification and classification of NPAs in accordance with RBI IRAC norms and certain qualitative aspects; and Assessment of adequacy of NPA provisions.

Key audit matter	How our audit addressed the key audit matter
<p>Due to the ongoing COVID-19 pandemic, the Bank has implemented 'COVID-19 Regulatory Package-Asset Classification and Provisioning' ('Regulatory Package') issued by the RBI on 17 April 2020 and 23 May 2020 and 'Resolution Framework for COVID-19 related Stress' and 'MSME sector - Restructuring of advances' ('Resolution Framework') issued by RBI on 6 August 2020 (Collectively 'RBI COVID-19 Relief Measures'), which has been duly considered by the Bank in identification and measurement of provision for advances.</p> <p>Since the identification of NPAs and provisioning for such advances requires considerable level of estimation and given its significance to the overall audit, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> To test the identification of loans with default events and other qualitative factors, selected a sample of performing loans and independently assessed as to whether there was a need to classify such loans as NPAs. On 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'). Held discussion with the management of the Bank on sectors wherein there has been stress and the steps taken by the Bank to mitigate such sectorial risks. With respect to provisions recognised towards NPAs, we reperformed the provision calculations on sample basis taking into consideration the value of security, where applicable, RBI 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. Obtained an understanding of implementation of the Regulatory Package and with respect to borrowers to whom moratorium was granted, on a sample basis, we tested that such moratorium was granted in accordance with the board approved policy. We ensured that the Bank's board approved policy is in line with the Resolution Framework. On a sample basis tested that restructuring was carried out in accordance with the Resolution Framework and re-computed the provision made in accordance with the Resolution Framework. With respect to provision made by the Bank on account of the impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for such provision. We read the RBI Annual Financial Inspection report for the financial year ended 31 March 2020 and other communication with regulators. We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required in accordance with the Regulatory Package and Resolution Framework.

2. Information Technology ("IT") Systems and controls impacting financial reporting

Key audit matter	How our audit addressed the key audit matter
<p>The IT environment of the Bank is complex and involves a large number of independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately and consistently for reliable financial reporting.</p> <p>The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:</p> <ul style="list-style-type: none"> IT general controls over user access management and change management across applications, networks, database, and operating systems. IT application controls. <p>Due to the pervasive nature, complexity and importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter.</p>	<p>In assessing the integrity of the IT systems, we involved our IT specialist to obtain an understanding of the IT infrastructure and IT systems relevant to the Bank's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls.</p> <p>Tested the controls over user access management for applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel.</p> <p>Other areas that were assessed under the IT control environment, included password policies, business continuity and controls around change management.</p> <p>We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations, as applicable.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p>

Information other than the Standalone Financial Statements and Auditor's Report thereon

7. The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report including the Pillar 3 Disclosure under the New Capital Adequacy Framework (Basel III disclosures), 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 do 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 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, management is 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the Banks's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. 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 Standards on Auditing 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.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to standalone financial statements 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 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.

13. 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.
14. 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.
15. 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 period 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

16. 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 read with rule 7 of the Companies (Rules), 2014 (as amended).
17. 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) we have visited 119 branches to examine the books of account and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out at centrally as all the necessary records and data required for the purposes of our audit are available therein.
18. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
19. 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;
 - 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;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to the standalone financial statements of the Bank as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated 03 May 2021 as per Annexure I expressed unmodified opinion; and
 - g) 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, as detailed in Schedule 12.I, Schedule 17C – Note 13 and Schedule 18B Note 15(1) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

- ii. the Bank, as detailed in Schedule 12.II, Schedule 17C – Note 11, Schedule 17C – Note 13 and Schedule 18B – Note 11 and Note 15 to the standalone financial statements, has made provision as at 31 March 2021, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- 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 2021.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 21043334AAAAABY3244

Place : Mumbai

Date : 03 May 2021

Annexure I to the Independent Auditor's Report of even date to the members of Kotak Mahindra Bank Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the 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 2021, we have audited the internal financial controls with reference to the 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 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 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 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 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 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 controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the standalone financial statements 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 **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 21043334AAAAABY3244

Place : Mumbai

Date : 03 May 2021

Balance Sheet

as at 31st March, 2021

	Schedule	(₹ in thousands)	
		As at 31 st March, 2021	As at 31 st March, 2020
CAPITAL AND LIABILITIES			
Capital	1	14,909,178	14,565,192
Employee's Stock Options (Grants) Outstanding		21,588	28,654
Reserves and Surplus	2	622,360,530	475,587,843
Deposits	3	2,801,000,452	2,628,205,199
Borrowings	4	236,506,455	379,933,112
Other Liabilities and Provisions	5	160,088,035	104,196,838
Total		3,834,886,238	3,602,516,838
ASSETS			
Cash and Balances with Reserve Bank of India	6	124,936,069	95,050,501
Balances with Banks and Money at Call and Short Notice	7	271,329,249	437,872,490
Investments	8	1,050,991,877	750,515,457
Advances	9	2,236,886,221	2,197,481,867
Fixed Assets	10	15,352,697	16,231,305
Other Assets	11	135,390,125	105,365,218
Total		3,834,886,238	3,602,516,838
Contingent Liabilities	12	1,931,069,876	1,872,773,593
Bills for Collection		412,727,990	395,189,768
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

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

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

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Murad D. Daruwalla
Partner
Membership No. 043334

Mumbai
3rd May, 2021

Prakash Apte
Chairman

Dipak Gupta
Joint Managing Director

Jaimin Bhatt
Group President and
Group Chief Financial Officer

Uday Kotak
Managing Director and
Chief Executive Officer

Uday Khanna
Director

Avan Doomasia
Senior Executive Vice President and
Company Secretary

Profit and Loss Account

for the year ended 31st March, 2021

		(₹ in thousands)	
	Schedule	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. INCOME			
Interest Earned	13	268,402,677	269,296,142
Other Income	14	54,591,891	53,721,077
Total		322,994,568	323,017,219
II. EXPENDITURE			
Interest Expended	15	115,006,207	134,299,488
Operating Expenses	16	85,841,380	88,509,360
Provisions and Contingencies (Refer Note 11 - Schedule 18 B)		52,498,615	40,736,553
Total		253,346,202	263,545,401
III. PROFIT			
Net Profit for the year (I - II)		69,648,366	59,471,818
Add: Balance in Profit and Loss Account brought forward from previous year		205,118,088	169,192,870
Total		274,766,454	228,664,688
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		17,412,100	14,868,000
Transfer to Capital Reserve		145,000	1,148,400
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,100,000	800,000
Transfer to Investment Reserve Account (Refer Note 34 - Schedule 18 A)		-	(310,622)
Transfer to Investment Fluctuation Reserve Account		8,206,596	4,831,336
Transfer to Fraud Provision		-	(13,971)
Dividend		405,000	1,932,583
Corporate Dividend Tax		-	290,874
Balance carried over to Balance Sheet		247,497,758	205,118,088
Total		274,766,454	228,664,688
V. EARNINGS PER SHARE (Face Value of ₹ 5/-)			
Basic		35.17	30.88
Diluted		35.14	30.84
(Refer Note 1 - Schedule 18 B)			
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

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

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

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**

Chartered Accountants
Firm Registration No. 001076N/N500013

Murad D. Daruwalla

Partner
Membership No. 043334

Mumbai
3rd May, 2021

Prakash Apte

Chairman

Dipak Gupta

Joint Managing Director

Jaimin Bhatt

Group President and
Group Chief Financial Officer

Uday Kotak

Managing Director and
Chief Executive Officer

Uday Khanna

Director

Avan Doomasia

Senior Executive Vice President and
Company Secretary

Cash Flow Statement

for the year ended 31st March, 2021

	(₹ in thousands)	
	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	69,648,366	59,471,818
Add: Provision for tax	23,381,462	18,574,926
Net Profit before taxes	93,029,828	78,046,744
Adjustments for :-		
Employee Stock Options Expense	17,385	27,502
Depreciation on Bank's Property	3,667,718	3,719,494
Loss on sale of investments in associates	99,054	84,262
Diminution / (write back) in the value of Investments	4,082,733	901,233
Dividend from Subsidiaries / Joint Ventures	(156,221)	(518,025)
Amortization of Premium on HTM Investments	3,930,477	3,066,456
Provision for Non Performing Assets, Standard Assets and Other Provisions	25,034,420	21,260,394
Profit on sale of Fixed Assets	(302,666)	(276,255)
	129,402,728	106,311,805
Adjustments for :-		
(Increase) / Decrease in Investments (other than Subsidiaries, Joint Ventures, Associates and Other HTM Investments)	(293,254,872)	29,263,442
(Increase) in Advances	(57,583,038)	(154,589,301)
(Increase) in Other Assets	(28,010,178)	(14,402,739)
Increase in Deposits	172,795,253	369,401,569
Increase / (Decrease) in Other Liabilities and Provisions	46,994,691	(14,380,962)
	(159,058,144)	215,292,009
Direct Taxes Paid	(23,327,620)	(20,009,496)
NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES (A)	(52,983,036)	301,594,318
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,939,204)	(3,467,018)
Sale of Fixed Assets	425,796	348,381
Proceeds from sale of Investment in Associates	19,818	16,747
Investments in Subsidiaries / Joint Ventures	(250,000)	(850,001)
(Increase) in Investments in HTM securities	(15,103,629)	(71,106,746)
Dividend from Subsidiaries / Joint Ventures	156,221	518,025
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(17,690,998)	(74,540,612)

Cash Flow Statement

for the year ended 31st March, 2021

	(₹ in thousands)	
	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in Subordinated Debt	-	-
(Decrease) in Refinance	(14,503,100)	(11,636,200)
(Decrease) / Increase in Borrowings [other than Refinance and Sub-ordinated debt]	(128,923,557)	69,086,398
Money received on exercise of Stock Options / Issue of Equity Shares	78,437,487	3,606,107
Issue of Perpetual Non Cumulative Preference Shares	-	-
Share Issue Expenses	(464,794)	(3,700)
Dividend paid including Corporate Dividend Tax	(405,000)	(2,223,457)
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	(65,858,964)	58,829,148
(Decrease) / Increase in Foreign Currency Translation Reserve (D)	(124,675)	284,733
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	(136,657,673)	286,167,587
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note below)	532,922,991	246,755,404
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note below)	396,265,318	532,922,991
Note:		
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	31,732	65,032
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	2,488,716	1,685,373
Money at Call and Short Notice in India (as per Sch 7 I (ii))	153,000,000	403,000,000
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	14,551,667	17,216,140
Balance with RBI in Current Account (As per Sch 6 II.)	110,384,402	77,834,361
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	13,089,251	6,261,010
(ii) In other Deposit Accounts (As per Sch 7 II (ii))	102,719,550	26,861,075
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	396,265,318	532,922,991

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Murad D. Daruwalla

Partner

Membership No. 043334

Mumbai

3rd May, 2021

Prakash Apte

Chairman

Dipak Gupta

Joint Managing Director

Jaimin Bhatt

Group President and
Group Chief Financial Officer

Uday Kotak

Managing Director and
Chief Executive Officer

Uday Khanna

Director

Avan Doomasia

Senior Executive Vice President and
Company Secretary

Schedules

Forming part of Balance Sheet as at 31st March, 2021

SCHEDULE 1 - CAPITAL

	(₹ in thousands)	
	As at 31 st March, 2021	As at 31 st March, 2020
Authorised Capital		
2,800,000,000 Equity Shares of ₹ 5/- each (31 st March, 2020: 2,800,000,000 Equity Shares of ₹ 5/- each)	14,000,000	14,000,000
1,000,000,000 (31 st March, 2020: 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		
1,981,835,668 (31 st March, 2020: 1,913,038,338) Equity Shares of ₹ 5/- each fully paid-up	9,909,178	9,565,192
1,000,000,000 (31 st March, 2020: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each fully paid-up	5,000,000	5,000,000
Total	14,909,178	14,565,192

SCHEDULE 2 - RESERVES AND SURPLUS

	(₹ in thousands)	
	As at 31 st March, 2021	As at 31 st March, 2020
I. Statutory Reserve		
Opening Balance	82,125,783	67,257,783
Add: Transfer from Profit and Loss Account	17,412,100	14,868,000
Total	99,537,883	82,125,783
II. Capital Reserve		
Opening Balance	3,282,286	2,133,886
Add: Transfer from Profit and Loss Account	145,000	1,148,400
Total	3,427,286	3,282,286
III. General Reserve		
Opening Balance	6,404,249	6,404,249
Add: Transfer from Profit and Loss Account	-	-
Total	6,404,249	6,404,249
IV. Investment Reserve Account		
Opening Balance	-	310,622
Add: Transfer from/(to) Profit and Loss Account (Refer Note 34 - Schedule 18 A)	-	(310,622)
Total	-	-
V. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	5,742,000	4,942,000
Add: Transfer from Profit and Loss Account	1,100,000	800,000
Total	6,842,000	5,742,000
VI. Securities Premium Account		
Opening Balance	165,776,393	162,175,642
Add: Received during the year	78,118,790	3,604,451
Less: Share Issue Expenses	464,794	3,700
Total	243,430,389	165,776,393
VII. Amalgamation Reserve		
Opening Balance	1,224,046	1,224,046
Add: Additions	-	-
Total	1,224,046	1,224,046
VIII. Investment Allowance (Utilised) Reserve		
Opening Balance	500	500
Add: Transfer from Profit and Loss Account	-	-
Total	500	500

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
IX. Investment Fluctuation Reserve		
Opening Balance	5,540,254	708,918
Add: Transfer from Profit and Loss Account	8,206,596	4,831,336
Total	13,746,850	5,540,254
X. Foreign Currency Translation Reserve		
Opening Balance	374,244	89,511
Add: (Decrease) / Increase during the year	(124,675)	284,733
Total	249,569	374,244
XI. Balance in the Profit and Loss Account		
Balance in the Profit and Loss Account	247,497,758	205,118,088
Total	247,497,758	205,118,088
Total (I to XI)	622,360,530	475,587,843

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
A. I. Demand Deposits		
i. From Banks	3,560,326	1,995,282
ii. From Others	517,309,480	428,131,843
Total	520,869,806	430,127,125
II. Savings Bank Deposits	1,172,257,389	1,046,085,934
III. Term Deposits		
i. From Banks	2,697,369	14,293,589
ii. From Others	1,105,175,888	1,137,698,551
Total	1,107,873,257	1,151,992,140
Total Deposits (I to III)	2,801,000,452	2,628,205,199
B. i. Deposits of branches in India	2,798,729,570	2,626,098,822
ii. Deposits of branches outside India	2,270,882	2,106,377
Total (i and ii)	2,801,000,452	2,628,205,199

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
I. Borrowings in India		
(i) Reserve Bank of India	-	3,870,000
(ii) Other Banks	89,259,697	204,229,540
(iii) Other Institutions and Agencies (Refer Note 13 - Schedule 18 B)	90,519,100	105,022,200
Total	179,778,797	313,121,740
II. Borrowings outside India		
Banks & Other Institutions (Refer Note 13 - Schedule 18 B)	56,727,658	66,811,372
Total	56,727,658	66,811,372
Total Borrowings (I and II)	236,506,455	379,933,112
Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
Tier II Bonds included in I (iii) above	4,560,000	4,560,000
Tier II Bonds included in II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
I. Bills Payable	23,965,426	10,134,781
II. Interest Accrued	9,812,235	10,436,933
III. Provision for tax (net of advance tax and tax deducted at source)	2,709,519	667,910
IV. Standard Asset provision (Refer Note 20 - Schedule 18 A)	10,051,303	9,470,324
V. Others (including provisions) (Refer Note 20 - Schedule 18 A)	113,549,552	73,486,890
Total	160,088,035	104,196,838

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
I. Cash in hand (including foreign currency notes)	14,551,667	17,216,140
II. Balances with RBI in Current Account	110,384,402	77,834,361
Total	124,936,069	95,050,501

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

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
I. In India		
(i) Balances with Banks		
(a) In Current Accounts	2,488,716	1,685,373
(b) In Other Deposit Accounts	31,732	65,032
Total	2,520,448	1,750,405
(ii) Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Agencies	153,000,000	403,000,000
Total	153,000,000	403,000,000
Total (i and ii)	155,520,448	404,750,405
II. Outside India		
(i) In Current Accounts	13,089,251	6,261,010
(ii) In other Deposit Accounts	102,719,550	26,861,075
Total	115,808,801	33,122,085
Total (I and II)	271,329,249	437,872,490

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
I. In India		
(i) Government Securities	850,379,436	615,301,199
(ii) Other Approved Securities	-	-
(iii) Shares	12,994,692	11,555,352
(iv) Debentures and Bonds	113,315,790	53,925,605
(v) Subsidiaries and Joint Ventures	26,164,237	25,931,223
(vi) Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates (PTC)]	37,500,436	39,798,779
Total	1,040,354,591	746,512,158

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
II. Outside India		
(i) Government Securities	3,069,277	3,755,167
(ii) Shares	12,460	16,523
(iii) Subsidiaries and Joint Ventures	231,609	231,609
(iv) Debentures and Bonds	7,323,940	-
Total	10,637,286	4,003,299
Total Investments (I and II)	1,050,991,877	750,515,457

SCHEDULE 9 - ADVANCES

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
A.		
(i) Bills purchased and discounted #	85,500,483	77,781,325
(ii) Cash Credits, Overdrafts and loans repayable on demand	550,041,661	582,358,809
(iii) Term Loans	1,601,344,077	1,537,341,733
Total	2,236,886,221	2,197,481,867
<i># Bills purchased and discounted is net of Bills Rediscounted ₹ Nil (Previous Year ₹ Nil)</i>		
B.		
(i) Secured by tangible assets *	1,623,079,074	1,635,631,253
(ii) Covered by Bank / Government guarantees	121,577,208	15,146,253
(iii) Unsecured	492,229,939	546,704,361
Total	2,236,886,221	2,197,481,867
<i>* including advances against book debts</i>		
C.I. Advances in India		
(i) Priority Sector	903,648,990	733,388,522
(ii) Public Sector	3,184,858	25,027,953
(iii) Banks	6,597	37
(iv) Others	1,297,100,063	1,395,777,345
C.II. Advances outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated and term loans	32,945,713	43,288,010
c) Others	-	-
Total	2,236,886,221	2,197,481,867

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

	As at 31 st March, 2021	As at 31 st March, 2020
A. Premises (Including Land)		
Gross Block		
At cost on 31 st March of the preceding year	10,705,259	10,742,163
Additions during the year	-	11,804
Less: Deductions during the year	120,408	48,708
Total	10,584,851	10,705,259
Depreciation		
As at 31 st March of the preceding year	1,881,769	1,730,504
Add: Charge for the year	175,042	176,653
Less: Deductions during the year	31,210	25,388
Depreciation to date	2,025,601	1,881,769
Net Block	8,559,250	8,823,490

	(₹ in thousands)	
	As at 31 st March, 2021	As at 31 st March, 2020
B. Other Fixed Assets (including furniture and fixtures)		
Gross Block		
At cost on 31 st March of the preceding year	24,517,070	24,082,551
Additions during the year	2,912,240	3,495,620
Less: Deductions during the year	1,693,505	3,061,101
Total	25,735,805	24,517,070
Depreciation		
As at 31 st March of the preceding year	17,266,239	16,735,693
Add: Charge for the year	3,492,676	3,542,841
Less: Deductions during the year	1,659,573	3,012,295
Depreciation to date	19,099,342	17,266,239
Net Block (Refer Note 6 - Schedule 18 B)	6,636,463	7,250,831
C. Leased Fixed Assets		
Gross Block		
At cost on 31 st March of the preceding year	1,540,585	1,540,585
Additions during the year	-	-
Less: Deductions during the year	-	-
Total	1,540,585	1,540,585
Depreciation		
As at 31 st March of the preceding year	1,383,601	1,383,601
Add: Charge for the year	-	-
Less: Deductions during the year	-	-
Depreciation to date	1,383,601	1,383,601
Net Block	156,984	156,984
Total (A) +(B)+(C)	15,352,697	16,231,305

SCHEDULE 11 - OTHER ASSETS

	(₹ in thousands)	
	As at 31 st March, 2021	As at 31 st March, 2020
I. Interest accrued	32,831,520	28,224,047
II. Advance tax (net of provision for tax)	-	-
III. Stationery and Stamps	19,254	31,136
IV. Cheques in course of collection	8,018	13,431
V. Non banking assets acquired in satisfaction of claims	-	-
VI. Others (Refer Note 4 - Schedule 18 B)*	102,531,333	77,096,604
Total	135,390,125	105,365,218

* Includes Deferred Tax Asset ₹ 516.12 crore (Previous year ₹ 317.34 crore)

SCHEDULE 12 - CONTINGENT LIABILITIES

	(₹ in thousands)	
	As at 31 st March, 2021	As at 31 st March, 2020
I. Claims not acknowledged as debts	13,562,251	13,909,844
II. Liability on account of outstanding Forward Exchange Contracts	1,014,375,427	975,299,604
III. Guarantees on behalf of Constituents		
i) In India	227,839,413	239,242,871
ii) Outside India	-	-
IV. Acceptances, Endorsements and other obligations	158,797,456	166,071,440
V. Other Items for which the Bank is contingently liable :		
a. Liability in respect of interest rate and currency swaps and forward rate agreements	464,529,888	433,439,331
b. Liability in respect of Options Contracts	48,246,084	41,547,975
c. Capital commitments not provided	1,114,474	1,000,093
d. Unclaimed Customer balances transferred to RBI DEAF Scheme	2,604,883	2,262,435
Total	1,931,069,876	1,872,773,593

Schedules

Forming part of Profit and Loss Account for the year ended 31st March, 2021

SCHEDULE 13 - INTEREST EARNED

	(₹ in thousands)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Interest / discount on Advances / Bills (Refer Note 43 - Schedule 18 A)	185,890,762	209,992,372
II. Income on Investments	68,334,051	52,572,531
III. Interest on balances with RBI and other inter-bank funds	11,747,359	3,812,382
IV. Others	2,430,505	2,918,857
Total	268,402,677	269,296,142

SCHEDULE 14 - OTHER INCOME

	(₹ in thousands)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Commission, exchange and brokerage	33,840,806	37,792,510
II. Profit / (Loss) on sale of Investments (net)	2,725,295	4,831,336
III. Profit / (Loss) on sale of building and other assets (net)	302,666	276,255
IV. Profit on exchange transactions (net) (including derivatives)	12,334,100	6,759,153
V. Income earned by way of dividend, etc. from Subsidiaries / Associates and / or Joint Venture in / outside India	1,271,795	1,414,320
VI. Profit on recoveries of non-performing assets acquired	1,720,909	1,484,725
VII. Miscellaneous Income	2,396,320	1,162,778
Total	54,591,891	53,721,077

SCHEDULE 15 - INTEREST EXPENDED

	(₹ in thousands)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Interest on Deposits	101,138,966	120,609,423
II. Interest on RBI / Inter-Bank Borrowings	8,041,603	5,411,493
III. Others (Refer Note 13(c) - Schedule 18 B)	5,825,638	8,278,572
Total	115,006,207	134,299,488

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Payments to and provision for employees (Refer Note 10 - Schedule 18 B)	37,653,969	39,111,165
II. Rent, taxes and lighting (Refer Note 3 - Schedule 18 B)	6,873,897	6,778,875
III. Printing and Stationery	573,301	835,027
IV. Advertisement, Publicity and Promotion	1,046,432	1,212,178
V. Depreciation on Bank's property	3,667,718	3,719,494
VI. Directors' fees, allowances and expenses	20,465	18,220
VII. Auditors' fees and expenses (Refer Note 14 - Schedule 18 B)	26,216	23,646
VIII. Law Charges	463,238	517,393
IX. Postage, telephone etc.	1,743,286	1,740,121
X. Repairs and maintenance	5,088,565	4,442,253
XI. Insurance	3,236,912	2,333,507
XII. Travel and Conveyance	522,449	980,165
XIII. Professional Charges	7,963,658	9,164,051
XIV. Brokerage	1,934,079	2,921,287
XV. Stamping Expenses	48,950	127,106
XVI. Other Expenditure (Refer Note 12 - Schedule 18 B)	15,550,027	15,221,751
	86,413,162	89,146,239
Less: Reimbursement of Costs from Group Companies	571,782	636,879
Total	85,841,380	88,509,360

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

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 Retail 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 except derivatives 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 (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (“the 2013 act”) and the Companies (Accounting Standards) Amendment Rules 2016 as amended from time to time in so far as they apply to banks and the guidelines issued by RBI.

The COVID-19 pandemic, besides the widespread public health implications, has had an extraordinary impact on macroeconomic conditions in India and around the world. During the previous year, people and economies around the world, witnessed serious turbulence caused by the first wave of the pandemic, the consequent lockdowns, the gradual easing of restrictions and the emergence of new variants of the virus. Although the government has started vaccination drive, COVID-19 cases have significantly increased in recent months due to second wave as compared to earlier levels in India. Various state governments have again announced strict measures including lockdowns to contain this spread. As COVID vaccines are administered to more and more people, businesses in sectors impacted by pandemic may pick up. However, the continuing and evolving nature of the virus has created uncertainty regarding estimated time required for businesses and lives to get back to normal.

The Bank continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The pandemic has impacted lending business, distribution of third party products, fee income from services or usage of debit/ credit cards, collection efficiency etc. and has resulted in increase in customer defaults and consequently increase in provisions. The Bank, however, has not experienced any significant disruptions in the past one year and has considered the impact on carrying value of assets based on the external or internal information available up to the date of approval of standalone financial statements. The future direct and indirect impact of COVID-19 on Bank business, results of operations, financial position and cash flows remains uncertain. The standalone financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 “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 quotations 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.
- 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, specific provisions, interest in suspense for non-performing advances and claims received from Export Credit Guarantee Corporation, 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 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 overdues. If these overdues are in excess of 90 days, then these assets are classified into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing assets.

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:

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 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 RBI through Indian Bankers Association dated 6th May, 2020, the Bank has granted moratorium on the payment of instalments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020 to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as at 31st March, 2021 against the potential impact of customers impacted by COVID-19 pandemic which is higher than the regulatory requirements. In accordance with the said guidelines, such accounts where moratorium has been granted will not be considered as restructured.

Further in accordance with Resolution Framework for COVID-19 and Restructuring of Micro, Small and Medium Enterprises (MSME) sector advances both announced by RBI on 6th August, 2020, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

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 - farm credit to agricultural activities, individual housing loan and SME at 0.25%, commercial real estate at 1.00%, restructured standard advances and MSME borrowers registered under GST who have been granted relief at 5%, teaser rate housing loans at 2.00%, commercial real estate-residential housing at 0.75% and for other sectors at 0.40%. Additional 2% 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 at 10% on the entire amount outstanding from borrowers who had an overdue on February 29, 2020 and to whom moratorium was given is also made.

In respect of borrowers restructured under the Resolution Framework for COVID-19, a general provision, which is higher of the provisions held as per the extant IRAC norms immediately before implementation of restructuring or 10% of the renegotiated debt exposure, has been made. Further, for borrowers restructured under the Restructuring of Micro, Small and Medium Enterprises (MSME) sector advances Bank has maintain additional provision of 5% over and above the provision already held.

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 arrangements for sale of loans through Special Purpose Vehicles (SPVs). In most cases, post securitisation, the Bank continues to service the loans transferred to the SPV. At times, the Bank also provides credit enhancement in the form of cash collaterals and / or by subordination of cash flows to Senior Pass Through Certificate (PTC) 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 Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets".

In accordance with the RBI guidelines, the profit 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 amortised over the tenure of the securities issued. Loss on account of securitisation on assets is recognised immediately to the Profit and Loss Account.

The Bank invests in PTCs 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 and retail 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 on the outstanding on the contract.

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 realization other than on running accounts where it is recognised when due.

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 recognized 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.

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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Schemes provide for grant of options on equity shares to employees of the Bank and its Subsidiaries to acquire the equity shares of the Bank that vest in a cliff vesting or in a graded manner and that are to be exercised within a specified period.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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. 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 deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognized 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 value of lapsed portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding accounts 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 value of the share-based payment arrangement, or is otherwise beneficial to the employee as remeasured as 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"]) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is remeasured at each Balance Sheet date up to and including the vesting date with changes in intrinsic value recognised in Profit and Loss Account in 'Payments to and provision for employees'.

The SARs that do not vest because of failure to satisfy vesting condition 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 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 forwards, 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.

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 vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated 18th April, 2007 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	Includes: <ul style="list-style-type: none"> I Lending <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products. III Credit Cards <ul style="list-style-type: none"> 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.

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

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

SCHEDULE 18 – NOTES TO ACCOUNTS**A. DISCLOSURES AS LAID DOWN BY RBI CIRCULARS:****1. Capital Adequacy Ratio:**

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

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Capital Ratios:		
(i) Common Equity Tier I Capital (%)	21.21%	17.08%
(ii) Tier I Capital (%)	21.38%	17.27%
(iii) Tier II Capital (%)	0.88%	0.62%
(iv) Total CRAR %	22.26%	17.89%
(v) Percentage of the shareholding of the Government of India	-	-
(vi) Amount raised by issue of Equity Shares #	7,799.80	362.22
(vii) Amount of Additional Tier I capital raised of which		
PNCPS	-	-
PDI	-	-
(viii) Amount of Tier II Capital raised of which		
Debt capital instruments	-	-
Preference share capital instruments	-	-

The Bank on 31st May, 2020, concluded a Qualified Institutions Placement (QIP) of 65,000,000 equity shares at a price of ₹1,145 per equity share aggregating ₹ 7,442.50 crore. Accordingly, the Share Capital increased by ₹32.50 crore and share premium increased by ₹7,410.00 crore, net of share issue expenses of ₹46.28 crore. Further, the Bank has allotted during the year 3,797,330 (previous year 4,283,511) equity shares consequent to exercise of ESOPs vested. Accordingly, the share capital further increased by ₹1.90 crore (previous year ₹2.14 crore) and share premium increased by ₹401.88 crore (previous year ₹360.45 crore), net of share issue expenses of ₹0.20 crore (previous year ₹0.37 crore).

2. Investments held under the 3 categories viz. "Held for Trading (HFT)", "Available for Sale (AFS)" and "Held to Maturity (HTM)" are as under:**In India:**

(₹ in crore)

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Government Securities *	655.97	50,656.62	33,725.36	85,037.95	2,810.53	26,111.55	32,608.04	61,530.12
Other Approved Securities	-	-	-	-	-	-	-	-
Shares	-	1,299.47	-	1,299.47	-	1,155.54	-	1,155.54
Debentures and Bonds	777.31	10,554.27	-	11,331.58	974.17	4,418.39	-	5,392.56
Subsidiaries, Associates and Joint Ventures	-	-	2,616.42	2,616.42	-	-	2,593.12	2,593.12
Units, Certificate of Deposits, CP, SRs, PTCs etc.	-	3,750.04	-	3,750.04	-	3,979.88	-	3,979.88
Total	1,433.28	66,260.40	36,341.78	104,035.46	3,784.70	35,665.36	35,201.16	74,651.22

* Includes securities with face Value of ₹ 10,024.63 crore (previous year ₹ 20,800.70 crore) pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

Outside India:

(₹ in crore)

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Government Securities	-	306.93	-	306.93	-	375.52	-	375.52
Other Approved Securities	-	-	-	-	-	-	-	-
Shares	-	1.25	-	1.25	-	1.65	-	1.65
Debentures and Bonds	-	732.39	-	732.39	-	-	-	-
Subsidiaries, Associates and Joint Ventures	-	-	23.16	23.16	-	-	23.16	23.16
Units, Certificate of Deposits, CP, SRs, PTCs etc.	-	-	-	-	-	-	-	-
Total	-	1,040.57	23.16	1,063.73	-	377.17	23.16	400.33

3. The details of investments and the movement of provisions held towards depreciation of investments of the Bank as on 31st March, 2021 and 31st March, 2020 are given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
1. Value of Investments		
i. Gross value of Investments		
a. In India	105,043.34	75,253.50
b. Outside India	1,066.41	400.33
ii. Provision for Depreciation		
a. In India	(1,007.88)	(602.28)
b. Outside India	(2.68)	-
iii. Net value of Investments		
a. In India	104,035.46	74,651.22
b. Outside India	1,063.73	400.33
2. Movement of provisions held towards depreciation on investments		
i. Opening balance	602.28	512.16
ii. Add: Provisions made during the year	461.36	122.73
iii. Less: Write-back of provisions during the year	53.08	32.61
iv. Closing balance	1,010.56	602.28

4. Details of Repo / Reverse Repo (excluding LAF and MSF transactions for the year) deals (in face value terms):

Year ended 31st March, 2021:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	31 st March, 2021
Securities sold under repos				
i. Government securities	-	35,413.55	24,282.35	8,835.30
ii. Corporate debt securities	-	200.00	5.21	-
Securities purchased under reverse repos				
i. Government securities	-	2,200.00	213.01	-
ii. Corporate debt securities	-	100.00	0.82	-

Year ended 31st March, 2020:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	31 st March, 2020
Securities sold under repos				
i. Government securities	-	20,086.60	5,752.04	20,086.60
ii. Corporate debt securities	-	100.00	2.73	-
Securities purchased under reverse repos				
i. Government securities	-	12,659.87	891.26	-
ii. Corporate debt securities	-	-	-	-

5. Disclosure in respect of Non-SLR investments:

(i) Issuer composition of Non-SLR investments as at 31st March, 2021:

(₹ 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	1,014.94	255.00	-	-	-
2	FIs	2,131.06	724.24	-	-	446.24
3	Banks	1,396.16	809.99	-	620.74	582.11
4	Private Corporates	10,636.58	8,302.24	14.29	907.22	2,155.94
5	Subsidiaries, Associates and Joint Ventures	2,649.70	1,295.08	-	2,649.70	2,649.70
6	Others	2,548.16	2,199.43	773.41	295.48	2,548.16
7	Provision held towards depreciation	(622.29)	-	-	-	-
	Total	19,754.31	13,585.98	787.70	4,473.14	8,382.15

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

Issuer composition of Non-SLR investments as at 31st March, 2020:

(₹ 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	455.31	412.64	-	-	348.62
2	FIs	347.80	40.90	-	-	199.92
3	Banks	910.63	752.75	-	652.75	200.00
4	Private Corporates	6,434.22	4,864.74	58.83	753.69	2,160.21
5	Subsidiaries, Associates and Joint ventures	2,636.59	1,282.87	-	2,636.59	2,636.59
6	Others	2,963.64	2,938.01	1,352.90	109.37	2,963.64
7	Provision held towards depreciation	(602.28)	-	-	-	-
	Total	13,145.91	10,291.91	1,411.73	4,152.40	8,508.98

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

(ii) Non-performing Non-SLR investments:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2021	31 st March, 2020
Opening balance	274.37	296.92
Additions during the year	838.37	-
Reductions during the year	(450.25)	(22.55)
Closing balance	662.49	274.37
Total provisions held	238.42	271.50

6. During the year ended 31st March, 2021 and year ended 31st March, 2020, the value of sale / transfer of securities to / from HTM category (excluding one-time transfer of securities and sales to RBI under Open Market Operation auctions/Switch) was within 5% of the book value of instruments in HTM category at the beginning of the year.

7. Derivatives:

A. Forward Rate Agreements/ Interest Rate Swaps:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
The notional principal of swap agreements	39,777.32	39,788.46
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	376.22	304.25
Collateral required by the Bank upon entering into swaps	NA	NA
Concentration of credit risk arising from the swaps	58.08% (Banks)	60.57% (Banks)
The fair value of the swap book	(42.21)	(290.17)

B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
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

Disclosures on risk exposures in derivatives:

Qualitative disclosures:

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

The Board of Directors, the Asset Liability Management Committee (ALCO), the Risk Management Committee (RMC), Board Committee for Derivatives, the Senior Management Committee for Derivatives (SMC) and the Market 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.

The Board Committee for Derivatives 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 to clients.

The Bank has Back-Office and Risk Management - 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 Market Risk Management Department, 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 reported daily. The Market Risk Management Department 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. Limits for Derivative exposures to Corporates are approved by the Credit Committee and for Banks by the ALCO. These exposures are renewable annually and are duly supported by ISDA agreements. MTM breaches are monitored daily and are cash collateralised wherever necessary.

Quantitative Disclosures:

31st March, 2021:

(₹ 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	112,937.82	39,777.32
2	Marked to Market Positions **		
	a) Asset (+)	1,011.95	341.85
	b) Liability (-)	928.45	384.05
3	Credit Exposure	3,999.01	524.08
4	Likely impact of one percentage change in interest rate (100*PV01) #		
	a) On hedging derivatives	0.00	0.00
	b) On trading derivatives	47.31	348.37
5	Maximum of 100*PV01 observed during the year #		
	a) On hedging derivatives	0.00	0.00
	b) On trading derivatives	47.31	399.75
6	Minimum of 100*PV01 observed during the year #		
	a) On hedging derivatives	0.00	0.00
	b) On trading derivatives	9.83	207.17

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

** MTM has been considered at product level.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2021 are set out below:

(₹ in crore)

Nature	No.	Notional Principal*	Benchmark	Terms
Trading	63	2,324.12	LIBOR	Receive Fixed Vs. Pay Floating
Trading	153	9,284.71	LIBOR	Receive Floating Vs. Pay Fixed
Trading	1	146.22	LIBOR	Receive Floating Vs. Pay Floating
Trading	262	9,710.00	MIFOR	Receive Fixed Vs. Pay Floating
Trading	78	3,995.00	MIFOR	Receive Floating Vs. Pay Fixed
Trading	78	2,235.16	MIBOR	Receive Fixed Vs. Pay Floating
Trading	429	12,082.11	MIBOR	Receive Floating Vs. Pay Fixed
Total	1,064	39,777.32		

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2021 are set out below:

(₹ in crore)

Nature	No.	Notional Principal*	Benchmark	Terms
Trading	1	1.67	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	4	177.28	EURIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Trading	8	58.47	FIXED	Pay Fixed
Trading	6	236.32	FIXED	Receive Fixed
Trading	53	2,129.57	FIXED	Receive Fixed Vs. Pay Fixed
Trading	21	2,018.20	LIBOR	Receive Fixed Vs. Pay Floating
Trading	3	1,944.84	LIBOR	Receive Floating Vs. Pay Fixed
Trading	3	109.32	LIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Total	99	6,675.67		

*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, 2021 is ₹ 325.15 crore (previous year ₹ 240.04 crore).

31st March, 2020:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	105,240.23	39,788.46
2	Marked to Market Positions **		
	a) Asset (+)	1,769.56	285.10
	b) Liability (-)	1,661.61	575.27
3	Credit Exposure	4,535.49	657.71
4	Likely impact of one percentage change in interest rate (100*PV01) #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	10.29	208.81
5	Maximum of 100*PV01 observed during the year #		
	a) On hedging derivatives	0.61	-
	b) On trading derivatives	45.62	218.83
6	Minimum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	-	106.42

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

** MTM has been considered at product level.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2020 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	70	3,127.11	LIBOR	Receive Fixed Vs. Pay Floating
Trading	161	9,936.97	LIBOR	Receive Floating Vs. Pay Fixed
Trading	268	9,500.00	MIFOR	Receive Fixed Vs. Pay Floating
Trading	63	3,045.00	MIFOR	Receive Floating Vs. Pay Fixed
Trading	76	3,152.09	MIBOR	Receive Fixed Vs. Pay Floating
Trading	338	11,027.29	MIBOR	Receive Floating Vs. Pay Fixed
Total	976	39,788.46		

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2020 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	1	2.41	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	4	214.31	EURIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Trading	5	68.64	FIXED	Pay Fixed
Trading	4	237.10	FIXED	Receive Fixed
Trading	44	1559.00	FIXED	Receive Fixed Vs. Pay Fixed
Trading	7	890.82	LIBOR	Receive Fixed Vs. Pay Floating
Trading	1	378.44	LIBOR	Receive Floating Vs. Pay Fixed
Trading	3	204.75	LIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Total	69	3,555.47		

*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.

9. Movements in Non Performing Advances (Funded):

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
i. Net NPAs to Net Advances %	1.21%	0.71%
ii. Movement of Gross NPAs		
Gross NPAs as on 1 st April (opening balance)	5,026.89	4,467.94
Additions (Fresh NPAs) during the year	5,488.32	3,394.97
Sub-total (A)	10,515.21	7,862.91
Less:		
(i) Upgradations	1,307.10	1,003.69
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1,154.56	895.84
(iii) Technical / Prudential Write-offs	235.38	601.66
(iv) Write-offs other than those under (iii) above	392.66	334.83
Sub-total (B)	3,089.70	2,836.02
Gross NPAs as on 31st March (closing balance) (A-B)	7,425.51	5,026.89
iii. Movement of Net NPAs		
a. Opening balance	1,557.89	1,544.37
b. Additions during the year	2,685.01	1,286.55
c. Reductions during the year	(1,537.73)	(1,273.03)
d. Closing balance	2,705.17	1,557.89
iv. Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	3,469.00	2,923.57
b. Provisions made during the year	2,803.31	2,108.42
c. Write-off / write-back of excess provisions	(1,551.97)	(1,562.99)
d. Closing balance	4,720.34	3,469.00

10. Movement of Technical Write-offs and Recoveries:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Opening balance of Technical / Prudential written-off accounts as at 1 st April	1,547.25	1,033.59
Add: Technical / Prudential write-offs during the year	235.38	601.66
Sub-Total (A)	1,782.63	1,635.25
Less: Recoveries / Reductions made from previously Technical / Prudential written-off accounts during the year (B)	122.28	88.00
Closing Balance as at 31st March (A-B)	1,660.35	1,547.25

11. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off is 70.23% as at 31st March, 2021 (previous year 76.30%).

12. Concentration of NPAs:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total Exposure to top four NPA accounts	633.58	633.58

Above represents Gross NPA and NPI

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 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 15 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 2019-20 (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

(₹ in crore)

Sl. No	Sector	As at 31 st March, 2021			As at 31 st March, 2020		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector						
1	Agricultural and Allied Activities	27,506.96	1,348.45	4.90%	23,611.32	731.93	3.10%
2	Advances to Industries Sector eligible as Priority sector lending	33,418.11	424.24	1.27%	18,376.79	245.13	1.33%
3	Services	29,171.15	692.27	2.37%	30,923.42	732.25	2.37%
4	Personal Loans and others	1,377.87	29.40	2.13%	1,511.39	195.13	12.91%
	Sub-Total (A)	91,474.09	2,494.36	2.73%	74,422.92	1,904.44	2.56%
B	Non Priority Sector						
1	Agricultural and Allied Activities	1,222.16	41.15	3.37%	1,258.25	31.43	2.50%
2	Industry	46,999.73	1,534.03	3.26%	61,183.07	1,587.27	2.59%
3	Services	44,461.56	1,426.09	3.21%	44,187.19	649.47	1.47%
4	Personal loans and others	44,267.75	1,929.88	4.36%	42,171.27	854.28	2.03%
	Sub-Total (B)	136,951.20	4,931.15	3.60%	148,799.78	3,122.45	2.10%
	Total (A+B)	228,425.29	7,425.51	3.25%	223,222.70	5,026.89	2.25%

* 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, 2021:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	250.00	-
2	PSLC - SF / MF	11,050.00	1,200.00
3	PSLC - Micro Enterprises	8,630.75	7,700.00
4	PSLC – General	-	15,678.50
	Total	19,930.75	24,578.50

As at 31st March, 2020:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	1,945.00	500.00
2	PSLC - SF / MF	6,251.00	-
3	PSLC - Micro Enterprises	2,980.00	-
4	PSLC – General	4,500.00	11,257.00
	Total	15,676.00	11,757.00

**16. Details of Loan Assets subjected to Restructuring:
 As at 31st March, 2021**

(₹ in crore)

I. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub standard	Doubtful	Total	Standard	Sub standard	Doubtful	Total	Standard	Sub standard	Doubtful	Total	Standard	Sub standard	Doubtful	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	13.22	40.22	149.29	202.73	-	-	-	-	20	2,743	5,872	8,635	21	2,744	5,876	8,641
	Provision thereon	1.67	15.06	147.90	164.63	-	-	-	-	3.21	31.43	224.96	259.60	4.88	46.49	372.86	424.23
	Movement in the Accounts	-	-	-	-	-	-	-	-	(15)	(1,302)	(786)	(2,103)	(15)	(1,302)	(786)	(2,103)
	Amt. Outstanding	-	-	(0.27)	(0.27)	-	-	-	-	(35.63)	(11.49)	(83.74)	(130.86)	(35.63)	(11.49)	(84.01)	(131.13)
	Provision thereon	-	-	1.11	1.11	-	-	-	-	0.13	(3.07)	(45.21)	(48.15)	0.13	(3.07)	(44.10)	(47.04)
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	4.724	13,270	3,555	21,549	4,724	13,270	3,555	21,549
	Amt. Outstanding	-	-	-	-	-	-	-	-	404.49	244.49	185.96	834.94	404.49	244.49	185.96	834.94
	Provision thereon	-	-	-	-	-	-	-	-	10.36	112.41	100.79	223.56	10.36	112.41	100.79	223.56
3	Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	1	3	(4)	0.00	1	3	(4)	0.00
	No. of borrowers	-	-	-	-	-	-	-	-	0.18	0.08	(0.26)	0.00	0.18	0.08	(0.26)	0.00
	Amt. Outstanding	-	-	-	-	-	-	-	-	0.05	0.04	(0.09)	0.00	0.05	0.04	(0.09)	0.00
	Provision thereon	-	-	-	-	-	-	-	-	(1)	-	-	(1)	(2)	-	-	(2)
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	(13.22)	-	-	(13.22)	-	-	-	-	(28.22)	-	-	(28.22)	(41.44)	-	-	(41.44)
	Amt. Outstanding	(1.67)	-	-	(1.67)	-	-	-	-	-	-	-	-	(1.67)	-	-	(1.67)
	Provision thereon	-	(1)	1	0	-	-	-	-	(3)	(1,995)	1,998	0.00	(3)	(1,996)	1,999	0
5	Downgradations of restructured accounts during the FY	-	(40.22)	40.22	0	-	-	-	-	(16.44)	(53.86)	70.30	0.00	(16.44)	(94.08)	110.52	0
	Amt. Outstanding	-	(15.06)	15.06	0	-	-	-	-	(0.85)	(26.47)	27.32	0.00	(0.85)	(41.53)	42.38	0
	Provision thereon	-	-	(3)	(3)	-	-	-	-	0	(735)	(805)	(1,540)	0	(735)	(808)	(1,543)
6	Write-offs of restructured accounts during the FY	-	-	(121.44)	(121.44)	-	-	-	-	0	(2.67)	(3.60)	(6.27)	0	(2.67)	(125.04)	(127.71)
	Amt. Outstanding	-	-	(121.44)	(121.44)	-	-	-	-	0	(2.67)	(3.60)	(6.27)	0	(2.67)	(125.04)	(127.71)
	Provision thereon	0	0	2	2	-	-	-	-	4,726	11,984	9,830	26,540	4,726	11,984	9,832	26,542
7	Restructured Accounts as on March 31 of the FY (closing figures*)	0	0	67.80	67.80	-	-	-	-	395.86	252.86	407.80	1,056.52	395.86	252.86	475.60	1,124.32
	Amt. Outstanding	0	0	42.63	42.63	-	-	-	-	12.90	111.67	304.17	428.74	12.90	111.67	346.80	471.37
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

As at 31st March, 2020

(₹ in crore)

I. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total						
		Standard	Sub standard	Doubtful	Total	Standard	Sub standard	Doubtful	Total	Standard	Sub standard	Doubtful	Total				
1	Restructured Accounts as on April 1 of the FY (opening figures)	1	1	6	8	-	-	-	-	16	1,876	5,768	7,660	17	1,877	5,774	7,668
	Provision thereon	29.67	27.75	182.20	239.62	-	-	-	-	23.85	28.55	320.79	373.19	53.52	56.30	502.99	612.81
	Movement in the Accounts	9.06	13.87	156.57	179.50	-	-	-	-	4.14	10.95	235.24	250.33	13.20	24.82	391.81	429.83
		-	-	(1)	(1)	-	-	-	-	(2)	(1,415)	(1,123)	(2,540)	(2)	(1,415)	(1,124)	(2,541)
		(3.25)	13.83	(11.21)	(0.63)	-	-	-	-	(7.41)	(32.29)	(56.57)	(96.27)	(10.66)	(18.46)	(67.78)	(96.90)
		(8.55)	9.28	20.66	21.39	-	-	-	-	(10.09)	(7.36)	3.42	(14.03)	(18.64)	1.92	24.08	7.36
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	8	3,901	1,324	5,233	8	3,901	1,324	5,233
	Provision thereon	-	-	-	-	-	-	-	-	37.30	87.49	49.29	174.08	37.30	87.49	49.29	174.08
		-	-	-	-	-	-	-	-	1.59	35.03	42.68	79.30	1.59	35.03	42.68	79.30
		1	-	(1)	-	-	-	-	-	4	(3)	(1)	-	5	(3)	(2)	-
3	Upgradations to restructured standard category during the FY	13.19	-	(13.19)	-	-	-	-	-	34.77	(0.97)	(33.80)	-	47.96	(0.97)	(46.99)	-
	Provision thereon	6.94	-	(6.94)	-	-	-	-	-	8.61	(0.16)	(8.45)	-	15.55	(0.16)	(15.39)	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	(1)	-	-	(1)	(1)	-	-	(1)
		-	-	-	-	-	-	-	-	(8.29)	-	-	(8.29)	(8.29)	-	-	(8.29)
		-	-	-	-	-	-	-	-	(0.22)	-	-	(0.22)	(0.22)	-	-	(0.22)
5	Downgradations of restructured accounts during the FY	(1)	-	1	-	-	-	-	-	(5)	(1,182)	1,187	-	(6)	(1,182)	1,188	-
		(26.39)	(1.36)	27.75	-	-	-	-	-	(8.74)	(5.22)	13.96	-	(35.13)	(6.58)	41.71	-
		(5.78)	(8.09)	13.87	-	-	-	-	-	(0.82)	(5.78)	6.60	-	(6.60)	(13.87)	20.47	-
6	Write-offs of restructured accounts during the FY	-	-	(1)	(1)	-	-	-	-	-	(434)	(1,283)	(1,717)	-	(434)	(1,284)	(1,718)
		-	-	(36.26)	(36.26)	-	-	-	-	-	(1.25)	(54.53)	(55.78)	-	(1.25)	(90.79)	(92.04)
		-	-	(36.26)	(36.26)	-	-	-	-	-	(1.25)	(54.53)	(55.78)	-	(1.25)	(90.79)	(92.04)
7	Restructured Accounts as on March 31 of the FY (closing figures*)	1	1	4	6	-	-	-	-	20	2,743	5,872	8,635	21	2,744	5,876	8,641
		13.22	40.22	149.29	202.73	-	-	-	-	71.48	76.31	239.14	386.93	84.70	116.53	388.43	589.66
		1.67	15.06	147.90	164.63	-	-	-	-	3.21	31.43	224.96	259.60	4.88	46.49	372.86	424.23

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):
As at 31st March, 2021

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
	Nil	Nil	NA	NA	Nil	Nil

(₹ in crore)

As at 31st March, 2020

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
	Nil	Nil	NA	NA	Nil	Nil

(₹ in crore)

Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A)
As at 31st March, 2021

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	19.65	8.92	10.73	7.22
Classified as NPA	70.04	27.58	42.46	70.04

(₹ in crore)

As at 31st March, 2020

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	23.95	13.22	10.73	8.36
Classified as NPA	70.04	27.58	42.46	65.78

(₹ in crore)

Disclosure on the scheme for MSME sector – restructuring of advances
As at 31st March, 2021:

(₹ in crore)

No. of accounts restructured	Amount
443*	313.45

As at 31st March, 2020:

(₹ in crore)

No. of accounts restructured	Amount
12*	43.38

* Disclosure given is at borrower level

Disclosure on Resolution of stressed assets:

In terms of RBI circular dated 7th June 2019, the Bank has implemented resolution plans for two borrowers during the FY 2020-21. Resolution Plans were implemented within timelines prescribed by regulator and thus no provision for delay in implementation is required to be made.

17. Overseas Assets, NPAs and Revenue:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total Assets	4,755.84	4,947.62
Total NPAs	Nil	Nil
Total Revenue	128.72	194.84

18. A. Details of financial assets (including written off accounts) sold to Securitisation / Reconstruction Company for Asset Reconstruction (SC/RC):

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
(a) No. of accounts	Nil	Nil
(b) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(c) Aggregate consideration	Nil	Nil
(d) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(e) Aggregate gain / (loss) over net book value	Nil	Nil
(f) Excess provision reversed to Profit and Loss Account in case of sale of NPAs	Nil	Nil

B. Net Book Value of Investments in Security Receipts ("SRs"):

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(i) Backed by NPAs sold by the bank as underlying	52.88	66.10
(ii) Backed by NPAs sold by other banks / financial institutions / nonbanking financial companies as underlying	704.19	746.50
Total	757.07	812.60

C. Disclosure of Investment in Security Receipts:**31st March, 2021:**

(₹ in crore)

Particulars	Year Ended		
	31 st March, 2021	31 st March, 2020	31 st March, 2019
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	264.37	-
Provision held against (i)	-	(211.49)	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	705.00	53.54	97.41
Provision held against (ii)	(54.35)	- *	(97.41)
Total (i) + (ii)	650.65	106.42	0.00

*Since there is overall appreciation, the same is not included in the provision.

31st March, 2020:

(₹ in crore)

Particulars	Year Ended		
	31 st March, 2021	31 st March, 2020	31 st March, 2019
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	264.37	-
Provision held against (i)	-	(198.27)	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	695.00	51.50	97.43
Provision held against (ii)	- *	- *	(97.43)
Total (i) + (ii)	695.00	117.60	0.00

*Since there is overall appreciation, the same is not included in the provision.

D. Details of non-performing financial assets purchased:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
(a) Number of accounts purchased during the year*	5	27
(b) Aggregate outstanding in the Banks books**	189.55	255.28

* Retail assets portfolio purchased by the Bank has been considered as single portfolio.

**Represents outstanding balance of total non-performing financial assets purchased by the Bank at the Balance Sheet date.

None of the non-performing financial assets purchased have been restructured during the year (previous year Nil).

E. Details of non-performing financial assets sold (including written off accounts), excluding those sold to SC/RC:

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
(a) No. of accounts sold	Nil	Nil
(b) Aggregate value (net of provisions)	Nil	Nil
(c) Aggregate consideration received	Nil	Nil

19. There are no unsecured advances for which intangible security such as charge over the rights, licenses, authority, etc. are accepted as collateral by the Bank.

20. (a) Provisions on Standard Assets (including unhedged foreign currency exposure)

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Provisions towards Standard Assets	1,005.13	947.03

(b) General Provision for COVID-19 Deferment cases:

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 RBI through Indian Bankers Association, dated 6th May 2020, the Bank granted moratorium on the payment of installments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August 2020 to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. The moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as at 31st March, 2021 against the potential impact of customers impacted by COVID-19 pandemic, which is higher than the regulatory requirements.

The disclosure requirements as required by RBI circular dated 17th April, 2020 for the year ended 31st March 2021 is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per COVID-19 regulatory package, as at 29 th February, 2020		
- Account Level	9,559.00	6,565.74
- Customer Level	14,010.79	12,923.91
Advances outstanding where asset classification benefits is extended in respect of such accounts [#]	115.21	660.65
Provisions made as per para 5 of the COVID-19 Regulatory Package	751.08	650.00
Provisions adjusted against slippages in terms of paragraph 6	122.08	NA
Residual provisions [#]	1,279.00	650.00

[#] As at 31st March, 2021 & 31st March, 2020 respectively in respect of such accounts.

21. Business ratios / information:

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Interest income as a percentage of working funds	7.13%	8.45%
Non Interest income as a percentage of working funds	1.45%	1.69%
Operating profit as a percentage of working funds	3.24%	3.14%
Return on assets (average)	1.85%	1.87%
Business (deposit plus advance) per employee (₹ in crore)	9.70	9.36
Profit per employee (₹ in crore)	0.14	0.13

Definitions:

- (A) Working funds is the monthly average of total assets of the Bank as reported to RBI under Section 27 of the Banking Regulation Act, 1949 and those of IBU.
- (B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- (C) Business is monthly average of net advances and deposits as reported to the RBI under section 27 of the Banking Regulation Act, 1949. Interbank deposits are excluded for the purposes of computation of this ratio.
- (D) Productivity ratios are based on average number of employees.

22. Maturity pattern of certain items of assets and liabilities:

31st March, 2021:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 12 months	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	270.65	2,667.03	3,021.88	5,538.64	24,171.35	14,799.99	28,253.33	89,436.50	28,305.20	27,224.05	223,688.62
Investments*	41,461.98	3,661.55	1,816.05	1,859.60	5,785.24	6,608.83	5,925.54	30,089.62	2,082.47	5,267.00	104,557.88
Deposits	18,571.00	18,236.84	8,101.29	6,229.17	22,060.08	35,443.88	27,415.88	142,668.87	1,069.92	303.12	280,100.05
Borrowings	402.88	9,353.91	460.18	335.86	2,904.93	1,981.91	3,667.72	4,210.48	182.78	150.00	23,650.65
Foreign Currency Assets	1,646.71	5,338.25	290.68	2,492.47	5,496.15	2,754.81	1,939.91	1,725.90	1,030.71	282.10	22,997.69
Foreign Currency Liabilities	912.51	570.44	226.75	261.98	1,670.54	1,213.06	1,334.64	3,512.04	192.84	18.59	9,913.39

* Listed equity investments in AFS have been considered at 50% (₹ 541.31 crore) haircut as per RBI directions.

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

31st March, 2020:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 12 months	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances [#]	239.50	901.34	996.85	2,089.30	22,950.96	20,681.87	29,001.85	92,662.92	22,311.66	27,911.94	219,748.19
Investments*	20,663.06	1,837.79	1,018.13	1,920.78	5,453.67	6,332.80	6,237.57	25,478.13	745.09	4,894.63	74,581.65
Deposits	5,544.76	7,930.78	4,775.55	6,183.38	24,927.97	35,602.92	33,031.20	143,565.52	994.72	263.72	262,820.52
Borrowings	280.97	20,451.98	82.30	325.67	1,951.75	2,143.84	3,627.76	8,449.39	529.66	149.99	37,993.31
Foreign Currency Assets	1,013.11	2,784.71	321.53	360.04	3,628.00	2,745.87	2,520.06	2,008.69	779.65	311.27	16,472.93
Foreign Currency Liabilities	718.91	427.61	154.60	597.17	1,943.50	1,569.95	755.95	6,146.47	625.78	0.08	12,940.02

[#] In view of the COVID-19 pandemic, the Reserve Bank of India on 27th March 2020, announced measures to support the economy and the financial system. The measures permit banks to offer a three-month moratorium on all term loans outstanding as on 1st March, 2020, interest deferment on working capital facilities. As a prudent measure, in view of the potential relief to borrowers, for ALM purposes, the contractual inflows on borrower accounts have been suitably adjusted for the moratorium.

* Listed equity investments in AFS have been considered at 50% (₹ 469.90 crore) haircut as per RBI directions.

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

23. Exposures:

(a) Exposure to Real Estate Sector*:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
a) Direct exposure	39,803.06	34,317.98
i. Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31 st March, 2021 ₹ 113.33 crore and as at 31 st March, 2020 ₹ 83.27 crore)	23,006.67	17,899.64
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	16,796.39	16,418.34
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures– – Residential, – Commercial Real Estate	-	-
b) Indirect Exposure	6,495.18	5,000.77
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	6,495.18	5,000.77
Total Exposure to Real Estate Sector	46,298.24	39,318.75

* On limit basis or outstanding basis whichever is higher

(b) Exposure to Capital Market*:

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
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;#	1,298.39	1,167.81
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;	432.17	314.98
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;	846.72	3,110.79
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	3,214.37	2,247.70
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;	-	-
ix. Financing to stockbrokers for margin trading;	-	-
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)	0.03	0.03
xi. Others (Financial Guarantees)	26.13	34.86
Total Exposure to Capital Market*	5,817.81	6,876.17

The above amount excludes shares/convertible bonds aggregating to ₹ 124.22 crore (Previous year ₹ 135.18 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. Since the country exposure (net) of the Bank in respect of any country does not exceed 1% of the total funded assets, no provision is required to be maintained on country exposure as on 31st March, 2021 (Nil provision for the year ended 31st March, 2020).

Risk Category	Exposure (net)	Provision held	Exposure (net)	Provision held
	as at 31 st March, 2021	as at 31 st March, 2021	as at 31 st March, 2020	as at 31 st March, 2020
Insignificant	8,991.83	-	5,153.52	-
Low	332.54	-	422.31	-
Moderate	9.14	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	9,333.51	-	5,575.83	-

(₹ in crore)

24. Concentration of deposits:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total deposits of twenty largest depositors	27,551.70	26,021.91
Percentage of deposits of twenty largest depositors to total deposits of the Bank	9.84%	9.90%

(₹ in crore)

25. Concentration of advances*:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total advances to twenty largest borrowers	33,748.40	30,031.31
Percentage of advances to twenty largest borrowers to total advances of the bank	8.31%	7.69%

(₹ in crore)

*Advances represents credit exposure including derivatives furnished 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. Concentration of exposures:**

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total exposure to twenty largest borrowers/customers	39,935.94	31,648.19
Percentage of exposures to twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	9.36%	7.82%

(₹ in crore)

** 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.

27. Disclosure on Resolution Framework for COVID-19 related stress:

In accordance with Resolution Framework for COVID-19 announced by RBI on 6th August, 2020, 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 for the year ended 31st March 2021 is given below:

₹ in crore except number of accounts

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), Aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	6,482	82.38	-	-	9.01
Corporate persons*	8	12.67	-	-	1.27
Of which, MSMEs	-	-	-	-	-
Others	16	26.45	-	-	2.64
Total	6,506	121.50	-	-	12.92

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

28. During the year ended 31st March, 2021 and year ended 31st March, 2020 the Bank has not exceeded the prudential exposure limits as laid down by RBI guidelines for the Single Borrower Limit (SBL) / Group Borrower Limit (GBL).

29. **Provision made for taxes during the year:**

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Current tax	2,536.93	1,996.67
Deferred tax	(198.78)	(139.18)
Total	2,338.15	1,857.49

30. During the year, the Reserve Bank of India has levied a penalty of ₹ Nil (previous year ₹ 20,040,000/-) on the Bank.

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

32. **Bancassurance Business:**

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 st March, 2021	31 st March, 2020
1.	For selling life insurance policies	250.13	204.81
2.	For selling non life insurance policies	15.78	13.20
3.	For selling mutual fund products	151.68	130.09
4.	Others	-	-

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

33. **Floating Provisions:**

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
(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

34. **Draw Down from Reserves:**

In accordance with the RBI requirement on creation and utilisation of Investment reserve in respect of HFT and AFS investments, no amount has been utilised during the year (previous year ₹ 31.06 crore utilised).

35. a) **Status of Shareholder Complaints:**

Sr. No.	Particulars	Year ended	
		31 st March, 2021	31 st March, 2020
(a)	No. of complaints pending at the beginning of the year	3	4
(b)	No. of complaints received during the year	35	29
(c)	No. of complaints redressed during the year	32	30
(d)	No. of complaints pending at the end of the year	6 [#]	3 [*]

[#] The Pending investor grievances have been resolved as on 30th April, 2021.

^{*} The Pending investor grievances were resolved on 2nd May 2020.

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

Sr. No	Particulars	31 st March, 2021	31 st March, 2020
	Complaints received by the bank from its customers		
1.	Number of complaints pending at beginning of the year	4,323	8,508
2.	Number of complaints received during the year	297,272	417,114
3.	Number of complaints disposed during the year	292,133	421,299
3.1	Of which, number of complaints rejected by the bank	66,141	92,990
4.	Number of complaints pending at the end of the year	9,462	4,323
	Maintainable complaints received by the bank from OBOs		
5.	Number of maintainable complaints received by the bank from OBOs	8,893	4,814
5.1.	Of 5, number of complaints resolved in favour of the bank by BOs	4,743	1,610
5.2.	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	839	556
5.3.	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	2	1
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	1	Nil

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

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, 2021					
ATM/Debit Cards	993	78,431	-37%	3,476	1,216
Internet Banking /Mobile Banking/ E-Banking	917	53,071	-47%	3,855	851
Levy of charges without prior notice/ excessive charges/ foreclosure charges	169	33,679	235%	163	9
Account opening/difficulty in operation of accounts	176	24,862	-2%	292	14
Credit Cards	1,087	18,983	-40%	644	53
Others	981	88,246	-29%	1,032	250
Total	4,323	297,272	-29%	9,462	2,393
31st March, 2020					
ATM/Debit Cards	3,056	125,268	2%	993	455
Internet Banking /Mobile Banking/ E-Banking	2,149	100,606	20%	917	328
Credit Cards	2,303	31,904	104%	1,087	291
Account opening/difficulty in operation of accounts	154	25,264	-40%	176	20
Cheques/drafts/bills	91	21,708	-36%	33	4
Others	755	112,364	3%	1,117	103
Total	8,508	417,114	2%	4,323	1,201

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.

36. There are no outstanding letter of awareness / letter of comfort (previous year Nil).

37. Disclosures on Remuneration

A. Qualitative Disclosures:

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

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

The Nomination and Remuneration Committee (NRC) will be, inter alia, reviewing and tracking the implementation of the Compensation Policy of the Bank. The NRC will comprise atleast 3 Non-executive Directors, out of which not less than one-half should be independent directors and should include at least one member from the Bank's Risk Management Committee of the Board. (RMC).

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

Objective of Banks' Compensation Policy is:

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

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

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

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

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

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

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

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

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

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

A discussion on Policy on Deferral of Remuneration revised effective 1 April 2020

Employees have been broadly classified into following categories:

- Category I – Comprising MD & CEO and Whole Time Directors (WTDs).
- Category II – Material Risk Takers (MRTs). These include employees whose actions may have material impact on the risk exposures of the bank and who satisfy both - qualitative and quantitative criteria, as given below:
 - o Qualitative Criteria: Employees in the grade M10 and above
 - o Quantitative Criteria: Fixed Cost to Company (FCTC) is ₹ 1 Crore p.a. and above.

This excludes employees under Category III.

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

- o Internal Audit;
- o Back-office Operations
- o Vigilance
- o Legal
- o Secretarial
- 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 fixed 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 and 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 (Cash and Short term deferred cash) – this may be paid at intervals ranging from Monthly, Quarterly, half-yearly and annual. The Monthly/ Quarterly / Half Yearly VP 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.
 - o ESOPs/ SARs will be linked to Kotak Mahindra Bank Stock price and will vest over a period of time.
 - o 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.
 - o 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.
 - o Deferred Cash may paid over a period of 3 to 5 years.

B. Quantitative Disclosures:

a) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.

During year ended 31st March, 2021, 7 meetings (previous year 4 meetings) of Nomination and Remuneration committee was held. Non-Executive Director of the Nomination and Remuneration committee is paid a sitting fee of ₹ 40,000 per meeting.

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

As per FY21 policy for the year ended 31st March, 2021 (“FY2021 policy”):

Quantitative disclosure restricted to CEO & three Whole Time Directors as Category I employees and Sixty One 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.

As per FY20 policy for the year ended 31st March, 2020 (“FY2020 policy”):

Quantitative disclosure restricted to CEO, three Whole Time Directors and six members of group management council as risk takers. It included award received by the Whole Time Directors appointed on 1st November 2019 and for the full year. For a Group Management Council member who have moved to a group company or retired awards up to the date in the Bank are included.

All quantitative disclosures are as per FY2021 policy which is applicable from 1st April, 2020. All previous year disclosures are as per FY2020 policy which was applicable until 31st March, 2020.

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

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
No of employees	1	Not Applicable
Cash (Cr)	0.33	Nil
ESOPs (equity shares)	15,970	Nil
SARs (rights)	9,160	Nil

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

Year ended 31 st March, 2021	Year ended 31 st March, 2020
Nil	Nil

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

	As at 31 st March, 2021	As at 31 st March, 2020
Cash (Deferred)	₹ 11.99 crore	₹ 0.50 crore
Outstanding SARs	362,967 rights	107,701 rights
Outstanding ESOPs*	1,458,079 equity shares	958,861 equity shares

* Outstanding ESOPs include those granted in previous financial years also.

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

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Cash (Deferred)	₹ 0.50 crore	Nil
Payment towards SARs	₹ 32.87 crore	₹ 10.49 crore [#]

[#] Payments include amounts paid to two Whole Time Directors in respect of SARs granted prior to becoming Whole Time Directors on 1st November 2019

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

Fixed Pay

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Total fixed salary	₹ 86.32 crore	₹ 24.78 crore

Variable Pay

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Deferred Variable Pay[§]		
Cash (Deferred)	₹ 11.99 crore	₹ 0.50 crore
SARs	171,480 rights	51,970 rights
ESOPs	460,930 equity shares	498,040 equity shares
Non Deferred variable pay^{§§}	₹ 19.32 crore	₹ 5.45 crore ^{§§}

[§] Details relating to variable pay pertains to remuneration awards for the financial year 2019-20 (previous year 2018-19) awarded in FY2021 (previous year FY2020). Remuneration award for the year ended 31st March, 2021 are yet to be reviewed and approved by the Nomination and Remuneration Committee.

^{§§} Includes ₹1.70 crore of non deferred variable pay for financial year 2018-19 which was pending for Reserve Bank of India approval. This approval has since been received and amounts paid in financial year 2020-21.

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

61 (previous year Not Applicable)

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 FY2019-20 and FY2020-21 was ₹ 0.09 crore.

Ratio of pay of each WTD to the mean pay for the bank as a whole

Director	Ratio
Mr Uday Kotak	16.94X
Mr Dipak Gupta	42.91X
Mr K.V.S. Manian	44.46X
Mr Gaurang Shah	44.38X

Notes:

- Pay includes Fixed pay + variable pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961. Remuneration does not include value of Stock Options.
- 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.
- Pay of Mr Uday Kotak and Mr Dipak Gupta includes variable pay for the year ended 31st March, 2019, and 31st March, 2020, which was paid to them in FY20-21 on receipt of approval from the Reserve Bank of India.

38. Intra – Group Exposures

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(a) Total amount of intra-group exposures	6,639.83	4,773.12
(b) Total amount of top-20 intra-group exposures	6,639.73	4,773.08
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.54%	1.18%
(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.

39. Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Opening balance of amounts transferred to DEAF	226.25	184.67
Add: Amounts transferred to DEAF during the year	35.27	43.20
Less: Amounts reimbursed by DEAF towards claim	1.03	1.62
Closing balance of amounts transferred to DEAF	260.49	226.25

40. 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:

- Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.
- Periodic monitoring of un-hedged foreign currency exposures of borrowers.
- Risk classification of borrowers having un-hedged foreign currency exposures, into Low / Medium / High, as per internal norms, based on likely loss / EBID ratio. Likely loss means the potential loss which can be caused over a one year horizon by adverse movement of exchange rates.
- Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counter parties having UFCE, depending on the likely loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counter parties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Likely 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% increase in the risk weight

- 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 less than ₹ 25 crore;
 - 80 bps in cases where limits with banking system are ₹ 25 crore or more.
- 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.
- Borrowers where the credit exposure is backed by other bank Letter of Credit, Bank guarantee or Standby Letter of Credit or Fixed Deposits are exempted from the above requirements. Exposures on other Banks and Public Financial Institutions like SIDBI, EXIM Bank, NABARD, NHB are also exempted from the above requirements.
- 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, 2021 is ₹ 54.48 crore. (Previous year ₹ 51.34 crore). Incremental Risk weighted Assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at 31st March, 2021 is ₹ 2,113.26 crore (Previous year ₹ 1,759.85 crore)

41. a) Liquidity Coverage Ratio

(₹ in crore)

Particulars	Average Q4 2020-2021		Average Q3 2020-2021		Average Q2 2020-2021		Average Q1 2020-2021	
	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		97,950		101,577		100,930		94,527
1 Total High Quality Liquid Assets (HQLA)								
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	58,695	2,935	58,071	2,904	47,475	2,374	46,629	2,331
(ii) Less stable deposits	118,116	11,812	118,441	11,844	125,718	12,572	119,257	11,926
3 Unsecured wholesale funding, of which								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	84,775	48,527	72,885	41,141	74,037	41,227	80,743	44,230
(iii) Unsecured debt	948	948	1,765	1,765	1,041	1,041	1,098	1,098
4 Secured wholesale funding								
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	15,260	15,260	12,013	12,013	10,762	10,762	9,618	9,618
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,848	189	1,977	196	2,122	206	1,979	192
6 Other contractual funding obligations	4,967	4,967	3,526	3,526	2,843	2,843	2,520	2,520
7 Other contingent funding obligations	112,850	4,921	112,242	4,919	112,591	5,003	110,879	4,926
8 Total Cash Outflows		89,559		78,308		76,028		76,841
Cash Inflows								
9 Secured lending (e.g. reverse repos)	27,893	0	35,033	0	30,496	0	41,549	4
10 Inflows from fully performing exposures	37,836	32,084	28,729	23,309	21,347	18,879	17,249	15,693
11 Other cash inflows	1,914	957	1,827	913	1,789	894	1,947	974
12 Total Cash Inflows		33,041		24,222		19,773		16,671
13 TOTAL HQLA		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
14 Total Net Cash Outflows		97,950		101,577		100,930		94,527
15 Liquidity Coverage Ratio (%)		56,518		54,086		56,255		60,170
		173.31%		187.81%		179.42%		157.10%

(₹ in crore)

Particulars	Average Q4 2019-2020		Average Q3 2019-2020		Average Q2 2019-2020		Average Q1 2019-2020	
	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)	-	64,351	-	60,943	-	55,433	-	56,988
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	35,045	1,752	19,845	992	18,921	946	18,396	920
(ii) Less stable deposits	117,872	11,787	128,262	12,826	119,549	11,955	113,380	11,338
3 Unsecured wholesale funding, of which								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	75,733	42,388	71,829	40,818	73,280	37,002	75,530	37,983
(iii) Unsecured debt	1,269	1,269	1,789	1,789	2,461	2,510	2,869	2,946
4 Secured wholesale funding	-	-	-	-	-	-	-	-
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	11,828	11,828	9,909	9,909	9,390	9,390	10,911	10,911
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,620	154	1,298	126	1,157	108	2,723	333
6 Other contractual funding obligations	3,507	3,507	3,472	3,472	3,441	3,441	3,510	3,510
7 Other contingent funding obligations	107,697	4,706	104,526	4,583	110,508	4,834	100,294	4,259
8 Total Cash Outflows	-	77,391	-	74,515	-	70,187	-	72,201
Cash Inflows								
9 Secured lending (e.g. reverse repos)	12,415	-	6,723	-	2,055	-	5,401	-
10 Inflows from fully performing exposures	28,280	21,618	25,675	19,475	28,350	21,573	31,002	24,234
11 Other cash inflows	1,569	785	1,733	867	1,475	737	1,531	766
12 Total Cash Inflows	42,264	22,403	34,131	20,342	31,880	22,310	37,934	25,000
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		64,351		60,943		55,433		56,988
14 Total Net Cash Outflows		54,988		54,173		47,877		47,201
15 Liquidity Coverage Ratio (%)		117.03%		112.49%		115.78%		120.73%

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, 2021 was 173.31% which is above the regulatory requirement of 90%. For the quarter ended 31st March, 2021 average Level 1 HQLA stood at 94.85% (92,903 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 9.84% of Bank's total deposits and top 10 lenders contributing 3.23% 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.

42. Frauds

The Bank has reported 894 (Previous year 643 cases) fraud cases involving fraud amount of one lakh and above during the financial year ended 31st March 2021 amounting to ₹ 656.44 crore (Previous year ₹ 579.60 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

- 43.** RBI circular dated 7th April, 2021 required banks to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. 1st March, 2020 to 31st August, 2020 in conformity to the Honourable Supreme Court of India judgement on 23rd March 2021. Pursuant to the said order and as per the RBI circular, the methodology for calculation of the amount of such 'interest on interest' was finalised by the Indian Banks Association (IBA). The Bank is in the process of implementing this methodology and pending finalization has created a liability towards estimated interest relief of ₹ 110 crore and has reduced the same from interest income.

44. Dividend

The Board of Directors of the Bank have proposed a dividend of ₹ 0.90 per equity share having face value ₹ 5 for the year ended 31st March, 2021 (previous year Nil). 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 shareholders at the Annual General Meeting.

B. OTHER DISCLOSURES:
1. Earnings per Equity Share:

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
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	1,969,046,454	1,910,200,383
Effect of potential equity shares for stock options outstanding	1,391,770	2,095,276
Weighted average number of equity shares used in computation of diluted earnings per share	1,970,438,224	1,912,295,659
Following is the reconciliation between basic and diluted earnings per share		
Nominal value per share	5.00	5.00
Basic earnings per share	35.17	30.88
Effect of potential equity shares for stock options	0.03	0.04
Diluted earnings per share	35.14	30.84
Profit for the year after tax (₹ in crore)	6,964.84	5,947.18
Less : Preference dividend including tax (₹ in crore)	40.50	48.82
Earnings used in the computation of basic and diluted earnings per share (₹ in crore)	6,924.34	5,898.36

2. Segment Reporting:

The Summary of the operating segments of the Bank for the year ended 31st March, 2021 are as given below:

(₹ in crore)

Sr. No.	Particulars	31 st March, 2021	31 st March, 2020
1.	Segment Revenue		
	a. Treasury, BMU and Corporate Centre	9,478.61	6,693.60
	b. Corporate / Wholesale Banking	13,016.78	13,918.46
	c. Retail Banking	13,815.72	15,057.84
	d. Other Banking business	-	-
	Sub-total	36,311.11	35,669.90
	Less : Inter-segmental revenue	4,011.64	3,368.18
	Total	32,299.47	32,301.72
2.	Segment Results		
	a. Treasury, BMU and Corporate Centre	3,026.72	1,867.26
	b. Corporate / Wholesale Banking	5,698.86	4,384.22
	c. Retail Banking	577.41	1,553.19
	d. Other Banking business	-	-
	Sub-total	9,302.99	7,804.67
	Total Profit Before Tax	9,302.99	7,804.67
	Provision for Tax	2,338.15	1,857.49
	Total Profit After Tax	6,964.84	5,947.18
3.	Segment Assets		
	a. Treasury, BMU and Corporate Centre	145,793.98	133,563.77
	b. Corporate / Wholesale Banking	162,450.23	153,443.88
	c. Retail Banking	240,506.83	216,234.38
	d. Other Banking business	-	-
	Sub-total	548,751.04	503,242.03
	Less : Inter-segmental Assets	165,778.54	143,307.69
	Total	382,972.50	359,934.34
	Add : Unallocated Assets	516.12	317.34
	Total Assets as per Balance Sheet	383,488.62	360,251.68
4.	Segment Liabilities		
	a. Treasury, BMU and Corporate Centre	113,306.32	115,719.99
	b. Corporate / Wholesale Banking	145,580.04	137,983.86
	c. Retail Banking	226,380.72	200,770.56
	d. Other Banking business	-	-
	Sub-total	485,267.08	454,474.41
	Less : Inter-segmental Liabilities	165,778.54	143,307.69
	Total	319,488.54	311,166.72
	Add : Unallocated liabilities	273.11	69.66
	Add : Share Capital & Reserves & surplus	63,726.97	49,015.30
	Total Liabilities as per Balance Sheet	383,488.62	360,251.68
5.	Capital Expenditure		
	a. Treasury, BMU and Corporate Centre	52.04	79.55
	b. Corporate / Wholesale Banking	22.07	29.11
	c. Retail Banking	217.11	242.08
	d. Other Banking business	-	-
	Total	291.22	350.74
6.	Depreciation / Amortisation		
	a. Treasury, BMU and Corporate Centre	85.42	98.76
	b. Corporate / Wholesale Banking	27.40	27.04
	c. Retail Banking	253.95	246.15
	d. Other Banking business	-	-
	Total	366.77	371.95

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

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 ₹ 562.07 crore (previous year ₹ 542.13 crore). The sub-lease income recognised in the Profit and Loss Account is ₹ 7.45 crore (previous year ₹ 7.84 crore).
- b. The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹ 495.16 crore (previous year ₹ 462.31 crore), later than one year but not later than five years is ₹ 1,486.50 crore (previous year ₹ 1,416.55 crore) and later than five years ₹ 892.30 crore (previous year ₹ 933.53 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 ₹ 516.12 crore (previous year ₹ 317.34 crore). The components of the same are as follows:

(₹ in crore)

Particulars of Asset/ (Liability)	Year Ended	
	31 st March, 2021	31 st March, 2020
Provision for NPA and General provisions	533.36	326.71
Expenditure allowed on payment basis	117.06	102.33
Depreciation	29.18	24.10
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(163.48)	(135.80)
Net Deferred Tax Asset	516.12	317.34

5. Credit card reward points:

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

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Opening provision for reward points	17.97	14.93
Provision for reward points made during the year	35.19	31.35
Utilisation/write-back of provision for reward points	(33.38)	(28.31)
Closing provision for reward points*	19.78	17.97

* This amount will be utilized towards redemption of the credit card accounts reward points.

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

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Gross Block		
At cost on 31 st March of the preceding year	546.87	508.89
Additions during the year	75.90	77.35
Deductions during the year	32.40	39.37
Total	590.37	546.87
Depreciation / Amortisation		
As at 31 st March of the preceding year	407.28	349.59
Charge for the year	99.47	97.06
Deductions during the year	32.00	39.37
Depreciation to date	474.75	407.28
Net Block	115.62	139.59

Capital commitments for purchase of software and system development expenditure are ₹ 53.95 crore (Previous year ₹ 43.93 crore).

Note: Deductions include reclassification

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 (formerly known as Kotak Mahindra Old Mutual Life Insurance 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. 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

B. Other Related Parties:

Nature of Relationship	Related Party
Individual having significant influence over the enterprise	Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 26.02% of the equity share capital and 17.29% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2021.
Associates / Others	ECA Trading Services Limited (formerly known as ACE Derivatives & Commodity Exchange Limited) Infina Finance Private Limited Matrix Business Services India Private Limited (upto 26 th April, 2019) Phoenix ARC Private Limited Kotak Education Foundation (upto 27 th December, 2019) ING Vysya Foundation
Key Management Personnel (KMP)	Mr. Uday S. Kotak Managing Director and CEO Mr. Dipak Gupta Joint Managing Director Mr. KVS Manian Whole-time Director (w.e.f. 1 st November, 2019) Mr. Gaurang Shah Whole-time Director (w.e.f. 1 st November, 2019)
Enterprises over which KMP / relatives of KMP have control / significant influence	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 (upto 28 th December, 2020) Kotak Commodities Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited

Nature of Relationship	Related Party
	Business Standard Private Limited
	Business Standard Online Private Limited
	Allied Auto Accessories Private Limited
	Uday S Kotak HUF
	Suresh A Kotak HUF
	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 (w.e.f. 28 th August, 2019)
	True North Enterprises (w.e.f. 1 st November, 2019)
	Manian Family Trust (w.e.f. 1 st November, 2019)
	Brij Disa Arnav Trust (w.e.f. 30 th March, 2020)
	Brij Disa Parthav Trust (w.e.f. 30 th March, 2020)
	Brij Disa Foundation (w.e.f. 6 th January, 2021)
Relatives of KMP	Ms. Pallavi Kotak
	Mr. Suresh Kotak
	Ms. Indira Kotak
	Mr. Jay Kotak
	Mr. Dhawal Kotak
	Ms. Aarti Chandaria
	Ms. Anita Gupta
	Ms. Urmila Gupta
	Mr. Arnav Gupta
	Mr. Parthav Gupta
	Mr. Prabhat Gupta
	Ms. Jyoti Banga
	Ms. Seetha Krishnan (w.e.f. 01 st November, 2019)
	Ms. Lalitha Mohan (w.e.f. 01 st November, 2019)
	Ms. Shruti Manian (w.e.f. 01 st November, 2019)
	Mr. Shashank Manian (w.e.f. 01 st November, 2019)
	Ms. Asha Shah (w.e.f. 01 st November, 2019)
	Ms. Divya Shah (w.e.f. 01 st November, 2019)
	Ms. Manasi Shah (w.e.f. 01 st November, 2019)
	Ms. Mahima Shah (w.e.f. 01 st November, 2019)
	Mr. Chetan Shah (w.e.f. 01 st November, 2019)
	Ms. Chetna Shah (w.e.f. 01 st November, 2019)

(₹ 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	1,228.63 (2,420.31)	89.57 (179.94)	3,501.12 (566.84)	81.91 (74.39)	208.60 (154.45)	5,109.83 (3,395.93)
Borrowings	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Payable	1.07 (2.97)	0.21 (0.21)	0.55 (0.11)	0.56 (0.22)	0.02 (0.46)	2.41 (3.97)
Other Liabilities	131.71 (26.64)	- (-)	- (-)	# (0.01)	- (-)	131.71 (26.65)
Assets						
Advances	828.57 (0.07)	- (-)	5.07 (7.14)	2.88 (3.27)	4.86 (5.67)	841.38 (16.15)
Investments-Gross	4,030.91 (3,042.60)	11.89 (23.77)	- (-)	# (#)	- (-)	4,042.80 (3,066.37)
Diminution on Investments	- (-)	10.12 (20.30)	- (-)	# (#)	- (-)	10.12 (20.30)
Commission Receivable	50.72 (48.66)	- (-)	- (-)	- (-)	- (-)	50.72 (48.66)
Others	118.77 (117.42)	0.01 (0.01)	0.03 (0.04)	0.01 (0.02)	0.02 (0.02)	118.84 (117.51)
Non Funded Commitments						
Bank Guarantees	11.55 (3.35)	- (-)	- (-)	1.00 (1.00)	- (-)	12.55 (4.35)
Swaps/Forward contracts	550.00 (-)	- (-)	- (-)	- (-)	1.88 (1.88)	551.88 (1.88)
Expenses						
Salaries/fees (Include ESOP)	- (-)	- (-)	15.90 (12.56)	- (-)	0.29 (0.11)	16.19 (12.67)
Interest Paid	28.54 (32.52)	2.57 (11.32)	154.38 (35.37)	5.10 (6.97)	8.05 (11.58)	198.64 (97.76)
Others	200.54 (192.49)	- (16.09)	- (-)	0.46 (3.95)	- (-)	201.00 (212.53)
Income						
Dividend	15.62 (51.80)	- (-)	- (-)	- (-)	- (-)	15.62 (51.80)
Interest Received	76.13 (37.40)	- (-)	0.46 (0.26)	0.25 (0.12)	0.44 (0.22)	77.28 (38.00)
Others	565.01 (406.99)	0.10 (0.11)	# (#)	0.02 (0.01)	# (#)	565.13 (407.11)
Other Transactions						
Sale of Investment	251.66 (731.75)	- (-)	- (-)	- (-)	- (-)	251.66 (731.75)
Purchase of Investment	1,424.11 (898.46)	- (-)	- (-)	- (-)	- (-)	1,424.11 (898.46)
Loan Disbursed During the Year	3,375.00 (230.38)	- (-)	- (-)	- (-)	- (-)	3,375.00 (230.38)
Loan Repaid During the Year	2,525.00 (230.38)	- (-)	- (-)	- (-)	- (-)	2,525.00 (230.38)

(₹ 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
Dividend paid	-	-	-	-	-	-
	(-)	(-)	(45.45)	(0.06)	(0.30)	(45.81)
Reimbursement to companies	21.20	-	-	-	-	21.20
	(23.83)	(-)	(-)	(-)	(-)	(23.83)
Reimbursement from companies	100.45	#	-	-	-	100.45
	(117.84)	(0.06)	(-)	(-)	(-)	(117.90)
Purchase of Fixed assets	0.13	-	-	-	-	0.13
	(1.98)	(-)	(-)	(-)	(-)	(1.98)
Sale of Fixed assets	0.64	-	-	-	-	0.64
	(0.57)	(-)	(-)	(-)	(-)	(0.57)
Swaps/Forward contracts	3,382.71	-	-	-	-	3,382.71
	(7,546.95)	(-)	(-)	(-)	(-)	(7,546.95)
Guarantees/Lines of credit	76.20	-	-	-	-	76.20
	(3.00)	(-)	(-)	(-)	(-)	(3.00)
Assignment on Loan (Sell Down)	-	-	-	-	-	-
	(77.05)	(-)	(-)	(-)	(-)	(77.05)
QIP Issuance Expense adjusted against Share Premium	9.00	-	-	-	-	9.00
	(-)	(-)	(-)	(-)	(-)	(-)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	0.68	-	-	-	-	0.68
	(0.61)	(-)	(-)	(-)	(-)	(0.61)
BSS Microfinance Pvt Ltd	17.75	-	-	-	-	17.75
	(24.42)	(-)	(-)	(-)	(-)	(24.42)
Kotak Securities Limited	100.87	-	-	-	-	100.87
	(1.16)	(-)	(-)	(-)	(-)	(1.16)
Kotak Mahindra Capital Company Limited	12.20	-	-	-	-	12.20
	(0.00)	(-)	(-)	(-)	(-)	(0.00)
Others	0.21	-	-	#	-	0.21
	(0.44)	(-)	(-)	(0.01)	(-)	(0.45)
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	994.88	-	-	-	-	994.88
	(31.57)	(-)	(-)	(-)	(-)	(31.57)
BSS Microfinance Private Limited	138.56	-	-	-	-	138.56
	(138.56)	(-)	(-)	(-)	(-)	(138.56)
Kotak Mahindra Investments Limited	338.03	-	-	-	-	338.03
	(338.03)	(-)	(-)	(-)	(-)	(338.03)
Kotak Mahindra General Insurance Limited	330.00	-	-	-	-	330.00
	(305.00)	(-)	(-)	(-)	(-)	(305.00)
Kotak Infrastructure Debt Fund Limited	492.19	-	-	-	-	492.19
	(492.19)	(-)	(-)	(-)	(-)	(492.19)

(₹ 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
Others	180.05	-	-	#	-	180.05
	(180.05)	(-)	(-)	(#)	(-)	(180.05)
ECA Trading Services Limited	-	11.89	-	-	-	11.89
	(-)	(23.77)	(-)	(-)	(-)	(23.77)
Diminution on investments						
ECA Trading Services Limited	-	10.12	-	-	-	10.12
	(-)	(20.30)	(-)	(-)	(-)	(20.30)
Business Standard Private Ltd	-	-	-	#	-	#
	(-)	(-)	(-)	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Life Insurance Company Limited	49.89	-	-	-	-	49.89
	(47.82)	(-)	(-)	(-)	(-)	(47.82)
Kotak Mahindra General Insurance Limited	0.83	-	-	-	-	0.83
	(0.84)	(-)	(-)	(-)	(-)	(0.84)
Others Receivable						
Kotak Mahindra Prime Limited	44.79	-	-	-	-	44.79
	(6.13)	(-)	(-)	(-)	(-)	(6.13)
Kotak Securities Limited	11.72	-	-	-	-	11.72
	(37.96)	(-)	(-)	(-)	(-)	(37.96)
Kotak Investment Advisors Ltd	0.79	-	-	-	-	0.79
	(0.92)	(-)	(-)	(-)	(-)	(0.92)
Kotak Mahindra Life Insurance Company Limited	6.73	-	-	-	-	6.73
	(11.89)	(-)	(-)	(-)	(-)	(11.89)
Kotak Infrastructure Debt Fund Limited	10.05	-	-	-	-	10.05
	(13.60)	(-)	(-)	(-)	(-)	(13.60)
BSS Microfinance Limited	33.32	-	-	-	-	33.32
	(31.12)	(-)	(-)	(-)	(-)	(31.12)
Kotak Mahindra Asset Management Company Limited	4.23	-	-	-	-	4.23
	(7.23)	(-)	(-)	(-)	(-)	(7.23)
Kotak Mahindra General Insurance Limited	4.61	-	-	-	-	4.61
	(5.23)	(-)	(-)	(-)	(-)	(5.23)
Others	2.53	0.01	0.03	0.01	0.02	2.60
	(3.34)	(0.01)	(0.04)	(0.02)	(0.02)	(3.43)
Non Funded Commitments						
Bank Guarantees						
Kotak Investment Advisors Limited	11.10	-	-	-	-	11.10
	(1.00)	(-)	(-)	(-)	(-)	(1.00)
Kotak Securities Limited	-	-	-	-	-	-
	(2.00)	(-)	(-)	(-)	(-)	(2.00)
Aero Agencies Limited	-	-	-	1.00	-	1.00
	(-)	(-)	(-)	(1.00)	(-)	(1.00)
Others	0.45	-	-	-	-	0.45
	(0.35)	(-)	(-)	(-)	(-)	(0.35)

(₹ 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
Swaps/Forward contracts						
Kotak Mahindra Prime Limited	550.00	-	-	-	-	550.00
	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	1.88	1.88
	(-)	(-)	(-)	(-)	(1.88)	(1.88)
III. Expenses:						
Salaries/fees (Include ESOP)						
Mr. Uday Kotak	-	-	1.55	-	-	1.55
	(-)	(-)	(2.97)	(-)	(-)	(2.97)
Mr. Gaurang Shah	-	-	4.29	-	-	4.29
	(-)	(-)	(1.98)	(-)	(-)	(1.98)
Mr. KVS Manian	-	-	4.29	-	-	4.29
	(-)	(-)	(1.92)	(-)	(-)	(1.92)
Mr. Dipak Gupta	-	-	5.76	-	-	5.76
	(-)	(-)	(5.69)	(-)	(-)	(5.69)
Mr. Jay Kotak	-	-	-	-	0.29	0.29
	(-)	(-)	(-)	(-)	(0.11)	(0.11)
Other Expenses						
Brokerage						
Kotak Securities Limited	0.80	-	-	-	-	0.80
	(0.54)	(-)	(-)	(-)	(-)	(0.54)
Premium						
Kotak Mahindra Life Insurance Company Limited	5.06	-	-	-	-	5.06
	(4.79)	(-)	(-)	(-)	(-)	(4.79)
Kotak Mahindra General Insurance Limited	3.86	-	-	-	-	3.86
	(2.29)	(-)	(-)	(-)	(-)	(2.29)
Other Expenses:						
Kotak Mahindra Prime Limited	#	-	-	-	-	0.00
	(2.04)	(-)	(-)	(-)	(-)	(2.04)
Kotak Infrastructure Debt Fund	-	-	-	-	-	-
	(0.24)	(-)	(-)	(-)	(-)	(0.24)
Aero Agencies Limited	-	-	-	0.24	-	0.24
	(-)	(-)	(-)	(3.78)	(-)	(3.78)
Business Standard Private Limited	-	-	-	0.21	-	0.21
	(-)	(-)	(-)	(0.17)	(-)	(0.17)
BSS Microfinance Limited	190.78	-	-	-	-	190.78
	(180.14)	(-)	(-)	(-)	(-)	(180.14)
Kotak Mahindra Financial Services Limited	-	-	-	-	-	-
	(2.42)	(-)	(-)	(-)	(-)	(2.42)
Kotak Mahindra (UK) Limited	0.04	-	-	-	-	0.04
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Kotak Education Foundation	-	-	-	-	-	-
	(-)	(16.04)	(-)	(-)	(-)	(16.04)
Others	#	-	-	-	-	#
	(#)	(0.04)	(-)	(-)	(-)	(0.04)

(₹ 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	15.46	-	-	-	-	15.46
	(24.05)	(-)	(-)	(-)	(-)	(24.05)
Kotak Mahindra Trustee Company Limited	-	-	-	-	-	-
	(3.75)	(-)	(-)	(-)	(-)	(3.75)
Kotak Infrastructure Debt Fund Limited	0.05	-	-	-	-	0.05
	(0.05)	(-)	(-)	(-)	(-)	(0.05)
Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	-
	(23.84)	(-)	(-)	(-)	(-)	(23.84)
Kotak Mahindra Prime Limited	0.11	-	-	-	-	0.11
	(0.11)	(-)	(-)	(-)	(-)	(0.11)
Other Income						
Kotak Mahindra Life Insurance Company Limited	278.24	-	-	-	-	278.24
	(221.80)	(-)	(-)	(-)	(-)	(221.80)
Kotak Mahindra General Insurance Company Limited	18.86	-	-	-	-	18.86
	(16.42)	(-)	(-)	(-)	(-)	(16.42)
Kotak Securities Limited	177.84	-	-	-	-	177.84
	(108.76)	(-)	(-)	(-)	(-)	(108.76)
Kotak Mahindra Capital Company Limited	9.31	-	-	-	-	9.31
	(9.72)	(-)	(-)	(-)	(-)	(9.72)
Kotak Mahindra Asset Management Company Limited	21.46	-	-	-	-	21.46
	(19.49)	(-)	(-)	(-)	(-)	(19.49)
Kotak Mahindra Prime Limited	38.17	-	-	-	-	38.17
	(10.85)	(-)	(-)	(-)	(-)	(10.85)
Kotak Investment Advisors Limited	9.90	-	-	-	-	9.90
	(10.56)	(-)	(-)	(-)	(-)	(10.56)
Others	11.23	0.10	#	0.02	#	11.35
	(9.38)	(0.11)	(#)	(0.01)	(#)	(9.50)
V. Other Transactions:						
Sale of Investment						
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(25.15)	(-)	(-)	(-)	(-)	(25.15)
Kotak Mahindra Prime Limited	205.00	-	-	-	-	205.00
	(10.00)	(-)	(-)	(-)	(-)	(10.00)
Kotak Mahindra (UK) Limited	40.67	-	-	-	-	40.67
	(620.87)	(-)	(-)	(-)	(-)	(620.87)
Kotak Securities Limited	5.99	-	-	-	-	5.99
	(75.73)	(-)	(-)	(-)	(-)	(75.73)
Purchase of Investments						
Kotak Mahindra Prime Limited	995.09	-	-	-	-	995.09
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Limited	25.00	-	-	-	-	25.00
	(85.00)	(-)	(-)	(-)	(-)	(85.00)

(₹ 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	404.03	-	-	-	-	404.03
	(788.02)	(-)	(-)	(-)	(-)	(788.02)
Kotak Securities Limited	-	-	-	-	-	-
	(25.44)	(-)	(-)	(-)	(-)	(25.44)
Loan Disbursed During the Year						
Kotak Mahindra Prime Limited	2,520.00	-	-	-	-	2,520.00
	(66.29)	(-)	(-)	(-)	(-)	(66.29)
Kotak Securities Limited	-	-	-	-	-	-
	(164.09)	(-)	(-)	(-)	(-)	(164.09)
Kotak Mahindra Investments Limited	855.00	-	-	-	-	855.00
	(-)	(-)	(-)	(-)	(-)	(-)
Loan Repaid During the Year						
Kotak Mahindra Investments Limited	555.00	-	-	-	-	555.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	-	-	-	-	-	-
	(164.09)	(-)	(-)	(-)	(-)	(164.09)
Kotak Mahindra Prime Limited	1,970.00	-	-	-	-	1,970.00
	(66.29)	(-)	(-)	(-)	(-)	(66.29)
Dividend Paid						
Mr. Uday Kotak	-	-	-	-	-	-
	(-)	(-)	(45.35)	(-)	(-)	(45.35)
Mr. Dipak Gupta	-	-	-	-	-	-
	(-)	(-)	(0.09)	(-)	(-)	(0.09)
Ms. Pallavi Kotak	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.09)	(0.09)
Ms. Indira Kotak	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.18)	(0.18)
Others	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.03)	(0.09)
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	0.05	-	-	-	-	0.05
	(1.10)	(-)	(-)	(-)	(-)	(1.10)
Kotak Mahindra Prime Limited	5.52	-	-	-	-	5.52
	(6.01)	(-)	(-)	(-)	(-)	(6.01)
Kotak Securities Limited	9.56	-	-	-	-	9.56
	(12.77)	(-)	(-)	(-)	(-)	(12.77)
Kotak Mahindra Life Insurance Company Limited	0.45	-	-	-	-	0.45
	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Investment Advisors Limited	4.87	-	-	-	-	4.87
	(2.88)	(-)	(-)	(-)	(-)	(2.88)
Others	0.75	-	-	-	-	0.75
	(0.82)	(-)	(-)	(-)	(-)	(0.82)
Reimbursements from companies						
Kotak Mahindra Capital Company Ltd	6.58	-	-	-	-	6.58
	(8.15)	(-)	(-)	(-)	(-)	(8.15)
Kotak Mahindra Prime Limited	19.74	-	-	-	-	19.74
	(22.23)	(-)	(-)	(-)	(-)	(22.23)

(₹ 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	16.42	-	-	-	-	16.42
	(20.13)	(-)	(-)	(-)	(-)	(20.13)
Kotak Securities Limited	20.24	-	-	-	-	20.24
	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Kotak Mahindra Investments Limited	12.14	-	-	-	-	12.14
	(13.40)	(-)	(-)	(-)	(-)	(13.40)
Kotak Mahindra Asset Management Company Limited	7.23	-	-	-	-	7.23
	(8.34)	(-)	(-)	(-)	(-)	(8.34)
Kotak Investment Advisors Limited	6.95	-	-	-	-	6.95
	(7.33)	(-)	(-)	(-)	(-)	(7.33)
Others	11.15	-	-	-	-	11.15
	(14.32)	(0.06)	(-)	(-)	(-)	(14.38)
Purchase of Fixed Assets						
Kotak Mahindra Prime Limited	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Financial Services Limited	-	-	-	-	-	-
	(1.56)	(-)	(-)	(-)	(-)	(1.56)
Kotak Mahindra Investments Limited	0.08	-	-	-	-	0.08
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(0.08)	(-)	(-)	(-)	(-)	(0.08)
Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	-
	(0.16)	(-)	(-)	(-)	(-)	(0.16)
Kotak Investment Advisors Limited	-	-	-	-	-	-
	(0.17)	(-)	(-)	(-)	(-)	(0.17)
Sale of Fixed Assets						
Kotak Mahindra Capital Company Ltd	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Investment Advisors Ltd	0.42	-	-	-	-	0.42
	(0.27)	(-)	(-)	(-)	(-)	(0.27)
Kotak Infrastructure Debt Fund	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Investments Limited	0.05	-	-	-	-	0.05
	(0.16)	(-)	(-)	(-)	(-)	(0.16)
Kotak Mahindra Prime Limited	0.17	-	-	-	-	0.17
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Securities Limited	-	-	-	-	-	-
	(0.12)	(-)	(-)	(-)	(-)	(0.12)
Swaps/Forwards/Options Contracts						
Kotak Mahindra International Ltd	2,832.71	-	-	-	-	2,832.71
	(7,546.95)	(-)	(-)	(-)	(-)	(7,546.95)
Kotak Mahindra Prime Limited	550.00	-	-	-	-	550.00
	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees/Lines of Credits						
Kotak Investment Advisors Limited	76.10	-	-	-	-	76.10
	(1.00)	(-)	(-)	(-)	(-)	(1.00)

(₹ 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 Pension Fund Limited	0.10	-	-	-	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	-	-	-	-	-	-
	(2.00)	(-)	(-)	(-)	(-)	(2.00)
Assignment on Loan (Sell Down)						
Kotak Infrastructure Debt Fund	-	-	-	-	-	-
	(77.05)	(-)	(-)	(-)	(-)	(77.05)
QIP Expense - debited to Share Premium A/c						
Kotak Mahindra Capital Company Ltd	9.00	-	-	-	-	9.00
	(-)	(-)	(-)	(-)	(-)	(-)

Note:

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

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	5,191.13	360.60	7,506.70	271.90	234.36
	(9,963.12)	(3,906.75)	(648.04)	(282.34)	(184.84)
Borrowings	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Liabilities	138.62	0.57	0.71	1.88	0.40
	(41.59)	(0.33)	(6.47)	(2.47)	(0.92)
Assets					
Advances	1,639.56	-	7.14	3.27	5.78
	(400.94)	(#)	(7.21)	(3.42)	(6.29)
Investments-Gross	4,030.91	23.77	-	#	-
	(3,152.74)	(33.88)	(-)	(#)	(-)
Commission Receivable	50.72	-	-	-	-
	(48.66)	(-)	(-)	(-)	(-)
Other Assets	180.57	0.02	0.04	0.02	0.02
	(165.50)	(0.03)	(0.04)	(0.02)	(0.03)
Non Funded Commitments					
Bank Guarantees	68.55	-	-	1.00	-
	(12.35)	(0.05)	(-)	(1.00)	(-)
Swaps/Forwards	1,277.37	-	-	-	1.88
	(5,409.51)	(-)	(-)	(-)	(1.88)

Note:

- Figures in brackets represent previous year's figures.
- # in the above table denotes amounts less than ₹50,000

8. Employee Share Based Payments:

At the General Meetings, the shareholders of the Bank had unanimously passed Special Resolutions on 28th July, 2000, 26th July, 2004, 26th July, 2005, 5th July, 2007, 21st August, 2007 and 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

- Kotak Mahindra Equity Option Scheme 2001-02;
- Kotak Mahindra Equity Option Scheme 2002-03;
- Kotak Mahindra Equity Option Scheme 2005;
- Kotak Mahindra Equity Option Scheme 2007; and
- Kotak Mahindra Equity Option Scheme 2015.

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank Limited with the Bank, the Bank has renamed and adopted the ESOP Schemes of the eIVBL, as given below:

- Kotak Mahindra Bank Limited (IVBL) Employees Stock Option Scheme 2005;
- Kotak Mahindra Bank Limited (IVBL) Employees Stock Option Scheme 2007;
- Kotak Mahindra Bank Limited (IVBL) Employee Stock Option Scheme 2010; and
- Kotak Mahindra Bank Limited (IVBL) Employees Stock Option Scheme 2013.

Consequent to the above, the Bank has granted stock options to the employees of the Group. The Bank under its various plan / schemes, has granted in aggregate 157,606,163 options as at 31st March, 2021 (Previous year 155,907,323).

In aggregate 6,159,212 options are outstanding as at 31st March, 2021 (Previous year 8,587,012) under the aforesaid schemes.

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, 2021, the following schemes were in operation:

	Plan 2007	Plan 2015
Date of grant	Various Dates	Various Dates
Date of Board Approval	Various Dates	Various Dates
Date of Shareholder's approval	5 th July, 2007 as amended on 21 st August, 2007	29 th June, 2015
Number of options granted	68,873,000	17,292,509
Method of Settlement (Cash / Equity)	Equity	Equity
Vesting Period	1.00 – 4.14 years	1.00 – 4.02 years
Exercise Period	0.30 – 1.08 years	0.03 – 0.55 years
Vesting Conditions	Graded / Cliff vesting	Graded / Cliff vesting

	KMBL (IVBL) Plan 2007	KMBL (IVBL) Plan 2010	KMBL (IVBL) Plan 2013
Number of options granted (addition on amalgamation)	1,245,010	5,773,046	4,642,198
Method of Settlement (Cash / Equity)	Equity	Equity	Equity

The details of activity under Plan 2007 have been summarised below:

	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	329,686	660.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	1,124	665.00
Exercised during the year	-	-	323,742	659.90
Expired during the year	-	-	4,820	665.00
Outstanding at the end of the year	-	-	-	-
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted	-	-	-	-

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

	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	8,278,402	1,236.30	8,721,262	1,046.44
Granted during the year	1,698,840	1,307.48	3,381,530	1,452.50
Forfeited during the year	259,074	1,300.95	524,887	1,193.96
Exercised during the year	3,488,720	1,116.54	3,273,139	962.31
Expired during the year	70,236	1,193.09	26,364	1,021.70
Outstanding at the end of the year	6,159,212	1,321.54	8,278,402	1,236.30
Out of the above exercisable at the end of the year	9,60,009	1,145.12	734,570	896.90
Weighted average remaining contractual life (in years)		1.36		1.51
Weighted average fair value of options granted during the year		378.71		352.79

The details of activity under KMBL (IVBL) Plan 2007 have been summarised below:

	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	150,802	416.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	150,802	416.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)		-		-

The details of activity under KMBL (IVBL) Plan 2010 have been summarised below:

	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	339,792	302.90
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	339,792	302.90
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)		-		-

The details of activity under KMBL (IVBL) Plan 2013 have been summarised below:

	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	308,610	379.72	504,646	384.87
Forfeited during the year	-	-	-	-
Exercised during the year	308,610	379.72	196,036	392.98
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	308,610	379.72
Out of the above exercisable at the end of the year	-	-	308,610	379.72
Weighted average remaining contractual life (in years)		-		0.08

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,638.05 (Previous year ₹ 1,543.92).

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

31st March, 2021

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
601-700	1,000	0.25	700.00
801-900	23,528	1.00	900.00
901-1000	540,181	0.82	967.69
1001-1100	63,674	1.28	1,057.99
1201-1300	1,977,359	0.79	1,269.91
1301-1400	1,440,640	2.04	1,341.00
1401-1500	2,112,830	1.57	1,460.00

31st March, 2020

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
301-400	306,730	0.08	379.50
401-500	1,880	-	416.00
601-700	28,428	0.97	700.00
701-800	528,510	0.56	773.80
801-900	41,174	1.51	900.00
901-1000	1,812,138	0.77	955.00
1001-1100	91,220	1.51	1,058.93
1201-1300	2,603,162	1.60	1,270.68
1401-1500	3,173,770	2.02	1,460.00

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, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme. The SARs granted and outstanding prior to approval of this scheme will continue.

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 1.07 to 4.11 years.

Detail of activity under SARs is summarised below:

	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Outstanding at the beginning of the year	783,160	1,004,948
Granted during the year	353,370	309,946
Additions/(Reduction) due to transfer of employees	(24,752)	(18,573)
Settled during the year	397,233	487,737
Forfeited during the year	(16,930)	(25,424)
Outstanding at the end of the year	697,615	783,160

Fair value of Employee stock options

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

Year ended 31 st March,	2021		2020	
	Equity-settled	Cash-settled	Equity-settled	Cash-settled
Exercise Price ₹	1,000-1,341	0-1,460	1,050-1,460	0-1,460
Weighted Average Share Price ₹	1,375.80	1,372.05	1,462.72	1,292.43
Expected Volatility	27.95%-43.21%	21.40%-43.26%	21.10%-31.00%	26.44%-113.47%
Historical Volatility	27.95%-43.21%	21.40%-43.26%	21.10%-31.00%	26.44%-113.47%
Life of the options granted (Vesting and exercise period)				
- At the grant date	1.25-3.87		1.02-3.87	
- As at 31 st March		0.06-3.46		0.06-3.37
Risk-free interest rate	3.61%-5.22%	3.32%-5.51%	5.63%-7.03%	4.16%-5.59%
Expected dividend rate	0.05%-0.07%	0.04%	0.05%-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, corresponding with the expected life of the options has been considered.

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

Year ended 31 st March,	(₹ in crore)	
	2021	2020
Total Employee compensation cost pertaining to share-based payment plans	67.13	59.98
Compensation cost pertaining to equity-settled employee share-based payment plan included above	1.74	2.75
Liability for employee stock options outstanding as at year end	14.92	5.71
Deferred Compensation Cost	12.76	2.84
Closing balance of liability for cash-settled options	63.13	61.38
Expense arising from increase in intrinsic value of liability for cash stock appreciation plan	77.90	49.14

9. Advances securitised by the Bank :

Particulars	(₹ in crore)	
	31 st March, 2021	31 st March, 2020
Book value of advances securitized	-	-
Number of accounts	-	-
Sale consideration received for the accounts securitized	-	-
Gain on securitisation amortised during the year	-	-
Credit enhancement, liquidity support provided	-	-
Provision on securitised assets	-	-
Nature of post securitisation support	-	-

10. Employee Benefits

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

Particulars	(₹ in crore)	
	31 st March, 2021	31 st March, 2020
Provident Fund	142.86	135.22
Superannuation Fund	1.48	1.56
New Pension Fund	5.33	5.09
DIFC Employee Workplace Savings Scheme (DEWS)	0.61	0.12

ii. Gratuity

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

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

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Change in benefit obligations		
Liability at the beginning of the year	455.85	400.06
Current Service cost	57.68	44.45
Interest cost	29.82	27.71
Actuarial Losses / (Gain)	20.66	54.69
Past Service Cost	-	-
Liability assumed on acquisition / (Settled on divestiture)	(0.88)	(0.07)
Benefits paid	(65.65)	(70.99)
Liability at the end of the year	497.48	455.85
Change in plan assets		
Fair value of plan assets at the beginning of the year	412.45	401.99
Expected return on plan assets	30.97	30.16
Actuarial Gain / (Losses)	60.28	(36.90)
Benefits paid	(65.65)	(70.99)
Employer contributions	108.60	88.19
Fair value of plan assets at the end of the year	546.65	412.45

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at	
	31 st March, 2021	31 st March, 2020
Fair value of plan assets at the end of the year	546.65	412.45
Liability at the end of the year	497.48	455.85
Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities"	49.17	(43.40)
Expense recognised for the year		
Current Service cost	57.68	44.45
Interest cost	29.82	27.71
Expected return on plan assets	(30.97)	(30.16)
Actuarial (Gain) / Loss	(39.62)	91.59
Past Service Cost	-	-
Net gratuity expense recognised in Schedule 16.I	16.91	133.59
Actual return on plan assets	91.25	(6.74)

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet	As at	
	31 st March, 2021	31 st March, 2020
Net Liability / (Asset) at the beginning of the year	43.40	(1.93)
Expense recognized	16.91	133.59
Liability assumed on acquisition / (Settled on divestiture)	(0.88)	(0.07)
Employer contributions	(108.60)	(88.19)
Net Liability / (asset)	(49.17)	43.40

Investment details of plan assets

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

	31 st March, 2021 %	31 st March, 2020 %
LIC managed funds #	7.89%	2.43%
Government securities	35.58%	31.89%
Bonds, debentures and other fixed income instruments	7.95%	30.97%
Money market instruments	3.49%	8.01%
Equity shares	45.09%	26.69%
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	6.20% - 6.37% p.a. (Previous Year 6.40% - 6.59% p.a.)
Salary escalation rate	5.50% (IBA) and 7.00% (others) p.a. (Previous Year 5.50% (IBA) and 0% until year 1 inclusive, then 7.00% (others) p.a.)
Expected return on plan assets	6.50% - 7.00% p.a. (Previous Year 7.00% - 8.00% p.a.)

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments

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

(₹ in crore)

Gratuity	Year ended 31st March				
	2021	2020	2019	2018	2017
Defined benefit obligation	497.48	455.85	400.06	373.13	280.66
Plan assets	546.65	412.45	401.99	289.56	296.23
Surplus / (Deficit)	49.17	(43.40)	1.93	(83.57)	15.57
Experience adjustments on plan liabilities	12.62	41.19	20.46	10.20	3.15
Experience adjustments on plan assets	60.28	(36.81)	9.63	(0.83)	11.38

The Bank expects to contribute ₹ 38.56 crore to gratuity fund in financial year 2021-2022.

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

iii. Pension

Pension liability relates to employees of eIVBL.

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

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
	Funded	Funded
Change in benefit obligations		
Liability at the beginning of the year	1,600.48	1,156.33
Transfer of liabilities funded during the year	-	-
Current Service cost	58.49	42.26
Interest cost	98.39	69.32
Actuarial (gain) / loss on obligations	349.45	541.37
Past Service cost	-	-
Benefits paid	(214.87)	(208.80)
Liability at the end of the year	1,891.94	1,600.48
Change in plan assets		
Fair value of plan assets at the beginning of the year	1,514.35	1,159.16
Expected return on plan assets	130.32	106.94
Actuarial Gain / (loss)	(1.52)	(12.10)
Benefits paid	(214.87)	(208.80)
Employer contributions	444.21	469.15
Fair value of plan assets as at the end of the year	1,872.49	1,514.35

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan Assets	As at	
	31 st March, 2021	31 st March, 2020
	Funded	Funded
Fair value of plan assets as at the end of the year	1,872.49	1,514.35
Liability at the end of the year	1,891.94	1,600.48
Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities"	(19.45)	(86.13)
Expenses recognised for the year		
Current service cost	58.49	42.26
Interest cost	98.39	69.32
Expected return on plan assets	(130.32)	(106.94)
Actuarial (gain) / loss	350.97	553.47
Effect of the limit in Para 59(b)	-	-
Net pension expense recognized in Schedule 16.I	377.53	558.11
Actual return on plan assets	128.80	94.83

(₹ in crore)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
	Funded	Funded
Reconciliation of the Liability recognised in the Balance Sheet		
Net (Asset) / Liability at the beginning of the year	86.13	(2.83)
Expense recognized	377.53	558.11
Employer contributions	(444.21)	(469.15)
Effect of the limit in Para 59(b)	-	-
Net (Asset) / Liability is included in "Others" under "Other Assets" / "Other Liabilities"	19.45	86.13

Investment details of plan assets

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

Actuarial assumptions used

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Discount rate	6.37% p.a.	6.59% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	6.50% p.a.	8.00% p.a.
Inflation	10.00% p.a.	8.00% 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.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments

Amounts for the current year are as follows:

Particulars	Year ended 31 st March,				
	2021	2020	2019	2018	2017
Defined benefit obligation	1,891.94	1,600.48	1,156.33	1,057.85	950.14
Plan assets	1,872.49	1,514.35	1,159.16	1,063.69	924.91
Surplus / (deficit)	(19.45)	(86.13)	2.83	5.84	(25.23)
Experience adjustments on plan liabilities	199.72	440.57	102.64	208.24	178.79
Experience adjustments on plan assets	(1.52)	(7.85)	(6.46)	(0.72)	(7.02)

(₹ in crore)

The Bank expects to contribute ₹234.65 crore to pension fund in financial year 2021-2022.

iv. Compensated absences

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

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total actuarial liability	236.42	209.42
Assumptions:		
Discount rate	6.20% - 6.37% - 1.72% (DIFC) p.a.	6.40% - 6.59% - 0.74% (DIFC) p.a.
Salary escalation rate	5.50% (IBA), 7.00% (others) and 3% (DIFC) p.a.	5.50% (IBA) and 0% until year 1 inclusive, then 7.00% (others), 0% in yr 1 and 3% thereafter (DIFC) p.a.

(₹ in crore)

v. Long Service Award

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

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total actuarial liability	13.44	10.77
Assumptions:		
Discount rate	6.20% p.a.	6.37% - 6.59% p.a.

(₹ in crore)

11. Provisions and Contingencies

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

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Provisions for Depreciation on Investments	408.27	90.12
Provision towards NPA	1,817.87	1,405.55
Provision towards Unhedged Foreign Currency Exposure	3.14	(5.07)
Provision towards Standard Assets	54.96	70.32
General Provision – Covid-19 Deferment Cases	629.00	650.00
Provision for Taxes	2,338.15	1,857.49
Other Provision and Contingencies	(1.52)	5.24
Total Provisions and Contingencies	5,249.87	4,073.65

12. Corporate Social Responsibility (CSR)

The Bank has adopted a strong CSR policy, charting out its plan to invest in society and its own future. The Bank is building its CSR capabilities on a sustainable basis and is committed to gradually increase its CSR spend in the coming years.

Disclosures in relation to corporate social responsibility expenditure:

(₹ in crore)

Details of CSR Expenditure	31 st March, 2021	31 st March, 2020
Contribution to Kotak Education Foundation	21.00	18.20
Contribution to Other Initiatives	58.40**	67.00
Accrual towards unspent obligations in relation to:		
Ongoing project	63.59*	NA
Other than ongoing project	Nil	NA
Total	142.99	85.20
Amount required to be spent as per Section 135 of the Act	142.27	124.23
Amount spent during the year on		
(i) Construction / acquisition of any asset	22.63 [#]	NA
(ii) On purposes other than (i) above	56.77**	85.20

* Includes ₹ 9 crore contributed to Kotak Education Foundation for one ongoing project.

** Includes Administrative expenses incurred of ₹ 2.47 crore.

[#] For funding assets to be held in the books of the implementing partner organisation

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

(₹ in crore)

Balance as at 1 st April, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March, 2021	
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
Nil	Nil	97.87	34.28	Nil	Nil	63.59

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

(₹ in crore)

Balance unspent as at 1 st April, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 st March, 2021
NA	NA	41.93*	42.65*	NA

* It doesn't include administrative expenses of ₹2.47 crore.

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

(₹ in crore)

Balance excess spent as at 1 st April, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 st March, 2021
Nil	142.27	142.99*	0.72

* includes unspent liability

13. Tier II Bonds

- a) Lower Tier II Bonds outstanding as at 31st March, 2021 ₹ 456.00 crore (previous year ₹ 456.00 crore).

During the current year and previous year, the Bank had not issued any lower Tier II bonds. In accordance with the RBI requirements lower Tier II bonds of ₹ 394.80 crore (previous year ₹ 303.60 crore) are not considered as Tier II capital for the purposes of capital adequacy computation under Basel III guidelines.

- b) Upper Tier II Bonds outstanding as at 31st March, 2021 and as at 31st March, 2020 is ₹ Nil.

- c) Interest Expended-Others (Schedule 15(III)) includes interest on subordinated debt (Lower and Upper Tier II) ₹ 44.20 crore (previous year ₹ 44.32 crore).

14. Details of payments of audit fees

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2021	31 st March, 2020
Statutory Audit fees	2.26*	2.05
Other Matters	0.36**	0.31 [#]
Total	2.62	2.36

* ₹ 0.24 crore is subject to shareholder's approval at AGM

[#] ₹ 0.13 crore pertains to erstwhile auditors.

** Above amount does not include ₹ 0.72 crore pertaining to QIP issue expenses, adjusted against Share Premium Account.

15. Description of Contingent Liabilities:

Sr.	Contingent Liability*	Brief Description
1.	Claims not acknowledged as debts	This includes liability on account of income tax, sales tax, property tax demands and legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. In respect of appeals filed by the Income Tax department with higher authorities, where the matter was settled in favour of the Bank at the first appellate stage, and where in view of the Management, it gives rise to an item of timing difference, no contingent liability is envisaged by the Bank.
2.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts with inter Bank participants and with its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3.	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	These includes: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 ('DEAF').

* Also refer Schedule 12 – Contingent Liability

16. With regard to a Supreme Court (SC) judgement on PF there are various interpretative issues including applicability. Based on a legal opinion, Bank has implemented effective March 2019.
17. The Bank has received few intimations from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and there is no outstanding against those suppliers as on 31st March, 2021, hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.
18. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm Registration No. 001076N/N500013

Murad D. Daruwalla

Partner
Membership No. 043334

Mumbai
3rd May, 2021

Prakash Apte

Chairman

Dipak Gupta

Joint Managing Director

Jaimin Bhatt

Group President and
Group Chief Financial Officer

Uday Kotak

Managing Director and
Chief Executive Officer

Uday Khanna

Director

Avan Doomasia

Senior Executive Vice President and
Company Secretary