

Annual Report 2023-24



**Kotak Mahindra Asset Management
Company Limited**



Transforming
for scale

Corporate Information

**Board of Directors
as on 31st March, 2024**

Mr. Uday Kotak
Ms. Anjali Raina
Mr. Chengalath Jayaram
Mr. Gaurang Shah
Mr. Krishnakumar Natarajan
Mr. Laxminarayan Rangarajan
Mr. Nilesh Shah
Mr. Sanjiv Malhotra

Non-Executive Chairman

Mr. Uday Kotak

Managing Director

Mr. Nilesh Shah

Chief Financial Officer

Mr. Krishnan Ramchandran

Company Secretary

Ms. Darshana Tanna

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Secretarial Auditors

Rupal D. Jhaveri, Practicing Company Secretary

Registered Office

27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.



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Our Board of Directors

MR. UDAY KOTAK:

Mr. Uday Kotak is the Non-Executive Non-Independent Director and the Chairman of the Company. He is the Founder and Director of Kotak Mahindra Bank. He has played an important role in the growth of the Kotak Mahindra group over the past 38 years. Under his leadership, the Kotak Mahindra group has emerged as one of India's leading diversified and integrated financial services conglomerates, providing a range of financial solutions covering banking, asset management, alternate asset management, life and general insurance stock broking, investment banking, private banking, microfinance and asset reconstruction.

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

Mr. Kotak is the recipient of many accolades including the 'EY World Entrepreneur of the Year Award' in 2014 and 'India Business Leader of the Year' by CNBC-TV18 at the India Business Leader Awards 2021.

MS. ANJALI RAINA:

Ms. Anjali Raina is the Non-Executive Independent Director of the Company. She is also the Executive Director of the Harvard Business School (HBS) India Research Center (IRC). She is an Independent Director on the Board of Harvard Business Publishing India, Harvard Global Support Center India, Mahindra Insurance Brokers Limited, and an Advisory Member on the Board of HBS Club of India. She is also a Board Member of the European Center for Executive Development (CEDEP). Ms. Anjali holds an MBA from the Indian Institute of Management, Calcutta and a Bachelor's Degree (Eng. Hons) from Loreto College. She is an alumna of HBS, having completed the Advanced Management Program. In her role at the HBS IRC, Ms. Anjali focuses on building and maintaining relationships with senior business leaders in the region to facilitate the center's work in research, educational programs, community building, and faculty development.

Ms. Anjali has a total of 43 years of work experience. Before joining HBS IRC in 2008, Anjali spent 15 years with Citigroup India, before which she worked for more than a decade with ANZ Grindlays Bank PLC. With over 26 years of experience in the banking sector, Ms. Anjali worked in all areas of leadership and finance, heading different units across corporate and retail businesses, as well as human resources and training.

MR. CHENGALATH JAYARAM:

Mr. Chengalath Jayaram is the Non-Executive Non-Independent Director of the Company. He holds a postgraduate diploma in Management from IIM, Calcutta. Mr. C. Jayaram headed the wealth management business and international operations for Kotak Mahindra group. He was responsible for overseeing the alternative investments business which included private equity funds and real estate funds, as well as the institutional equities business. He has varied experience of over 40 years in many areas of finance and business and was earlier the Managing Director of Kotak Securities Limited.

He has been with the Kotak Group for 27 years and has been instrumental in building a number of new businesses at Kotak Group. Prior to joining the Kotak Group, he was with Overseas Sanmar Financial Limited. Post his retirement on 30th April, 2016, on attaining the age of superannuation, Mr. C. Jayaram was appointed as Non-Executive Non-Independent director of the Kotak Mahindra Bank with effect from 1st May, 2016 and his term expired on 30th April, 2024.

MR. GAURANG SHAH:

Mr. Gaurang Shah is a Non-Executive Non-Independent Director of the Company. He is also on the Boards of the Insurance, Asset Management and International subsidiaries of Kotak Mahindra Bank. He is the Chairman of the Board of Kotak Mahindra General Insurance.

He has more than 40 years of work experience, largely in financial services, of which over 27 years have been with the Kotak Mahindra Group. He was whole time director on the Board of Kotak Mahindra Bank heading the credit risk function for the bank. He also led the Insurance & Asset Management subsidiaries, as well as the Alternate Assets and Asset Reconstruction businesses.

He has held several positions of responsibility, including Managing Director of Kotak Life Insurance, Group Head of Retail Assets at Kotak Mahindra Bank and Executive Director of Kotak Mahindra Primus (a joint venture between Kotak Mahindra Group and Ford Credit International).

He is a member of the Institute of Chartered Accountants of India, the Institute of Cost and Work Accountants of India and the Institute of Company Secretaries of India, and M. Com. from Gujarat University.

**MR. KRISHNAKUMAR NATARAJAN:**

Mr. Krishnakumar Natarajan is the Non-Executive Independent Director of the Company. He is a B.E, MBA. A leading authority in the global IT sector, Krishnakumar Natarajan co-founded Mindtree in 1999 and has played key roles in building the company's innovative approach to delivering IT services and solutions to global 2000 enterprises. In his role as Executive Chairman, he focused on leadership development and ensuring a high quality of governance. He also actively mentored different business groups within the company and worked closely with the start-up ecosystem to bring in innovative models of business transformation for clients. His key skill is to help Enterprises navigate the Digital transformation agenda and help technology deployments by which enterprises enhance customer experience and Industry leading growth. In his prior role as CEO and Managing Director (April 2008-March 2016), Krishnakumar was responsible for making Mindtree a global IT player.

Krishnakumar's efforts as a business leader has been recognized worldwide, winning him several laurels. Business world & Forbes ranked him amongst the most valuable CEOs in India in 2016. He won Bloomberg UTV's award as the CEO of the Year in 2010, Business Today CEO of the year award in 2014 and was recognized by Chief Executive Magazine's as one of the twelve global leaders of tomorrow. EY honored him with Entrepreneur of the year 2015 in Services. His efforts resulted in Mindtree winning the Most promising company of the Year in 2013 by CNBC TV18. A 37-year IT industry veteran, Krishnakumar held several key positions at Wipro before co-founding Mindtree. In 2013, Krishnakumar served as Chairman of the National Association of Software and Services Companies (NASSCOM), where he worked to strengthen the Indian IT industry to build a globally competitive ecosystem. He now serves as the Chairman of Nasscom Foundation. Social enterprises and Philanthropy are other Key interests of Krishnakumar.

He is an active partner of Social Venture Partners- an organization involved in impactful Philanthropy. Along with his wife, he runs their Personal foundation Mela which is focused on helping high potential rural girls to attain professional qualifications and helping Senior Citizens age gracefully. Krishnakumar is an active member of the Confederation of Indian Industry (CII). He is also a regular speaker at international IT industry conferences and a faculty member at management schools around the world. He has a bachelor's degree in mechanical engineering from the College of Engineering, Chennai, India, and a master's degree in Business Administration from the Xavier Institute, Jamshedpur, India.

MR. LAXMINARAYAN RANGARAJAN:

Mr. Laxminarayan Rangarajan is the Non-Executive Independent Director of the Company. He holds a Bachelor's degree in commerce and a bachelor's degree in law (General laws) from the Mumbai university. He is also a fellow member of the Institute of Chartered Accountants of India. He possesses more than 4 decades of professional experience in the fields of accounting, auditing and corporate laws. He was part of Deloitte, the largest professional services Firm in the world for close to 40 years and retired from the Firm in March 2020 after working as an audit partner for 27 years.

During his tenure as an audit partner, he had the privilege of conducting statutory and other audits of large corporates belonging to major business groups including the Kotak Mahindra Group. He gained a rich and varied experience in the financial services sector, having done the audits of several mutual funds, AMCs, Banks, NBFCs, Brokerage firms, Merchant bankers, Housing finance companies etc. He also has significant exposure in attending Board and audit committee meetings in the capacity as the statutory auditor and adding value through the presentations to the audit committees.

MR. NILESH SHAH:

Mr. Nilesh Shah is the Managing Director of the Company. He has over 30 years of experience in capital markets and market related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. In his previous assignments, Mr. Nilesh Shah has held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI securities. Nilesh lead his team to the Best Fund House of the Year Award at all the mutual funds where he has worked viz. Kotak, ICICI Prudential and Franklin Templeton Mutual Fund.

Mr. Nilesh Shah is currently part-time member of the Economic Advisory Council to the Prime Minister. He is also a part time member of Unique Identification Authority of India (UIDAI). He is a member of the Board of Association of Mutual Funds in India (AMFI) and a Member of "Corporate Bonds and Securitization Advisory Committee" (CoBoSAC) of SEBI.

MR. SANJIV MALHOTRA:

Mr. Sanjiv Malhotra is the Non-Executive Independent Director of the Company. Mr. Malhotra, is a Chartered Accountant. He has 45 years of Global Banking & Finance experience in senior positions in Risk Management, Private Equity, Corporate and Investment Banking, Consumer Finance, Micro Enterprise lending & Wealth Management, Seasoned Business and Risk management professional with a sound knowledge of Global Financial Markets and well versed in Crisis Management. He has served until June 2020, as an Independent Director on the Board of State Bank of India for 6 years and Chairman of the Risk Management Committee. He was Citigroup's Chief Risk Officer for Thailand, during the Asian Crisis, and Bank Danamon's Chief Risk Officer, during the 2008-09 Global Financial Crisis. He had worked in Canada, England, India, Indonesia, Thailand and the United Arab Emirates, with Global Financial Institutions.

Directors' Report

To The Shareholders of

Kotak Mahindra Asset Management Company Limited ("KMAMC"/"Company")

Your Directors are pleased to present the 30th (Thirtieth) Annual Report of the Company along with the audited financial statements for the financial year ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS

A. FINANCIAL PERFORMANCE

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 ("the Act"). The summary of standalone financial performance of your Company for the financial year ended 31st March, 2024 as compared to the previous financial year ended 31st March, 2023 is as follows:

(₹ in lakh)

Particulars	Consolidated		Standalone	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Gross income	1,14,283.00	89,094.77	1,14,283.00	89,094.77
Profit before Depreciation and Tax	78,544.12	56,483.98	78,487.34	56,548.55
Depreciation and Amortization	1,455.78	1,279.81	1,455.78	1,279.81
Profit before Tax	77,088.34	55,204.17	77,031.56	55,268.74
Provision for Taxes	17,973.14	12,158.91	17,973.14	12,158.91
Profit after Tax	59,115.20	43,045.26	59,058.42	43,109.83
Other Comprehensive Income	50.05	-25.92	52.81	-25.15
Balance of Profit from previous years	1,68,562.35	1,32,993.01	1,68,745.93	1,33,111.25
Amount available for appropriation	2,27,727.61	1,76,012.36	2,27,857.16	1,76,195.92
Appropriations				
Dividend paid	11,175.00	7,450.00	11,175.00	7,450.00
Transfer to General Reserves	-	-	-	-
Transfer to Special Reserves	-	-	-	-
Surplus carried forward to the Balance Sheet	2,16,552.60	1,68,562.35	2,16,682.16	1,68,745.93

B. DIVIDEND

The Board of Directors of the Company have, at its meeting held on April 29, 2024, recommended the payment of dividend of ₹ 37.50 per equity share of face value of ₹ 10 each for the financial year (FY) 2023-24. The dividend for the FY 2023-24, if approved by the shareholders, would be paid out of the profits of the current financial year and it would entail a cumulative payout of approximately ₹ 111.75 crore. The details of dividend declared and paid for the previous 3 (three) financial years are as under:

Financial Year	Dividend per share (₹)	Total Dividend (₹ in crore)
2022-23	37.50	111.75
2021-22	25	74.50
2020-21	20	59.60

The Company has not declared any interim dividend during the FY 2023-24.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at prescribed rates as per the Income Tax Act, 1961.

C. TRANSFER TO RESERVES

Your Directors have not recommended transfer of profits to the General Reserves of the Company for the financial year ended March 31, 2024.

D. SHARE CAPITAL

As on 31st March, 2024, the authorized share capital of your Company was ₹ 40,00,00,000 comprising of 4,00,00,000 equity shares of face value of ₹ 10 each; and the issued, subscribed and paid-up share capital of your Company was ₹ 29,80,00,000 comprising of 2,98,00,000 equity shares of face value of ₹ 10 each.

There has been no change in the share capital of your Company during the FY 2023-24.



2. SUBSIDIARY/ASSOCIATES

A. SUBSIDIARY

Your Company does not have any subsidiary as on 31st March, 2024.

B. ASSOCIATES

Your Company holds 49% of the equity share capital of Kotak Mahindra Pension Fund Limited ("KMPFL"), which acts as an investment manager under the National Pension System ("NPS") architecture.

KMPFL manages nine schemes under the National Pension System. KMPFL had total assets under management ("AUM") of ₹ 4,706 crore as at 31st March, 2024, a growth of 65% over the previous year (₹ 2,856 crore).

KMPFL's equity fund (NPS Tier 1) was among the top two best performing equity funds in the NPS industry over 5-year period as on 31st March, 2024. KMPFL's government securities fund (NPS Tier 1) was among the top two best performing government securities funds in the NPS industry over 1 & 3-year period as on 31st March, 2024.

The overall pension fund industry AUM (including the private and public sector) has grown by ~31% year-on-year to ₹ 11,72,651 crore as on 31st March, 2024.

During the FY 2023-24, your Company had not infused any additional capital in KMPFL. A statement containing salient features of the financial statements of the associate in the prescribed Form AOC-1 is enclosed as **Annexure - I** to the Director's Report.

3. REVIEW OF OPERATIONS OF THE COMPANY

Your Company is a wholly-owned subsidiary of Kotak Mahindra Bank Limited ("Kotak Bank") and is the Asset Manager for Kotak Mahindra Mutual Fund ("KMMF") which is a trust set up under the provisions of the Indian Trusts Act, 1882. Your Company offers a complete bouquet of asset management products and services that are designed to suit the diverse risk return profiles of each and every type of investor.

The mutual fund industry had registered a growth of 33% in FY 2023-24 over the previous year with the Quarterly Average Assets under Management ("QAAUM") for Q4 FY 2023-24 of ₹ 54.88 lakh crore as against ₹ 41.12 lakh crore in Q4 FY 2022-23.

The AAUM of KMMF for the FY 2023-24 was ₹ 3.46 lakh crore as against ₹ 2.87 lakh crore in the FY 2022-23, a growth of 21%, marginally lower than the industry growth of 23%.

The equity AAUM (excluding passives and arbitrage categories) for the FY 2023-24 was at ₹ 1.55 lakh crore as against ₹ 1.15 lakh crore in the previous year, a growth of 35%, which was marginally higher than the industry growth of 31% in the same period.

KMMF is the 5th largest mutual fund house in the country in terms of QAAUM as on 31st March, 2024.

Basis the RTA data, KMMF has 54.21 lakh unique investors as on 31st March, 2024 as compared to 45.17 lakh unique investors as on 31st March, 2023 and the market share has increased marginally to 12.2% during the relevant period.

KMAMC ended the year with discretionary AUM under the portfolio management business of Discretionary Portfolio Management Services (DPMS) at ₹ 1430.99 crore as on 31st March, 2024 as compared to ₹ 888.70 crore as on 31st March, 2023 and that under Non-Discretionary Portfolio Management Services (NDPMS) was ₹ 1772.31 crore as on 31st March, 2024 as compared to ₹ 707.28 crore as on 31st March, 2023.

The Company acts as an Investment manager to Kotak Renaissance Fund I, a Category III Alternate Investment Fund with a AUM of ₹ 141.67 crore as on 31st March, 2024 as compared to ₹ 208.26 crore as on 31st March, 2023.

A. NEW SCHEMES LAUNCHED IN FY 2023-24

Sr. No.	Name of the Scheme	Launch date	NFO collection Amount (₹ in crore)
1.	Kotak Nifty Smallcap 50 Index Fund	10 th April, 2023	5.16
2.	Kotak FMP Series 311	4 th May, 2023	102.64
3.	Kotak Nifty 200 Momentum 30 Index Fund	15 th June, 2023	23.46
4.	Kotak Quant Fund	2 nd August, 2023	205.44
5.	Kotak Nifty Financial Services EX-Bank Index Fund	14 th August, 2023	7.53
6.	Kotak S&P BSE Housing Index Fund	28 th August, 2023	6.83
7.	Kotak Multi Asset Allocation Fund	22 nd September, 2023	36.52
8.	Kotak Nifty G-Sec July 2033 Index Fund	11 th October, 2023	38.92
9.	Kotak Consumption Fund	16 th November, 2023	323.49
10.	Kotak FMP 323	3 rd November, 2023	147.26

Sr. No.	Name of the Scheme	Launch date	NFO collection Amount (₹ in crore)
11.	Kotak FMP 324	24 th November, 2023	299.36
12.	Kotak Healthcare Fund	11 th December, 2023	198.71
13.	Kotak FMP Series 325	14 th December, 2023	224.41
14.	Kotak FMP Series 326	26 th December, 2023	111.01
15.	Kotak FMP Series 327	12 th January, 2024	201.89
16.	Kotak Fixed Maturity Plan Series 328 - 90 Days	16 th February, 2024	142.12
17.	Kotak Technology Fund	4 th March, 2024	290.71
18.	Kotak Long Duration Fund	11 th March, 2024	61.97
19.	Kotak Nifty AAA Bond Jun 2025 HTM Index Fund	28 th March, 2024	19.18

B. DIGITIZATION INITIATIVES

KMAMC is continuously focused on improving investor journey and overall experience and ensuring better customer service. All efforts resulted in uplift in business in all categories:

- 24% increase in online user base.
- 46% increase in AUM from online users.
- 21% increase in user base in the Company's distributor app.
- The Company has implemented Virtual Relationship Management (VRM) services for the distributors to provide enhanced support, resulting in a remarkable 2X increase in business growth from these distributors.
- Through enhancements to the KMMF WhatsApp chatbot, usage has increased exponentially by 10X.

C. MARKET OVERVIEW

I. Equity market

The FY 2023-24 turned out to be a strong year for Indian equities. India has become the 5th largest in the world in terms of market capitalization from being 11th in FY 2013-14. Indian capital markets were supported by the trinity of strong macro-economic parameters, robust corporate earnings and stable domestic flows. One standout feature of Indian capital markets has been the rise of participation from domestic retail investors, with demat accounts rising to ~151 million in March 2024 from ~36 million in March 2019.

During the FY 2023-24, the large cap Nifty 50 index was up by 26.7 % while the MSCI EM and MSCI World Index were up by 5.1% and 23.1% respectively (all in USD terms). It was almost a secular bull run through the year with a brief period of correction in index in July – October 2023 period. Indian equity markets outperformed its emerging market and world peers in first three quarters of the financial year whereas it lagged MSCI World in January - March 2024 period on back of higher relative valuations. Market up move in Indian equities was broad based as, in INR terms, Nifty rallied by 28.6% whereas there was large outperformance seen from NSE Midcap 100 Index and NSE Small cap 100 rallying by 60.1% and 69.8% respectively.

Foreign Institutional Investors (FIIs), after being net sellers during FY 2022-23, turned net buyers of Indian equity markets during FY 2023-24 to the tune of ~ USD 25 billion. This was matched by domestic Institutional Investors (DIIs) which were net buyers of Indian equities to the tune of ~ USD 25 billion during the year, providing support to the markets and driven by strong monthly SIP (Systematic Investment Plan) inflows. Domestic retail participation in equity markets, both direct and through mutual funds continued into FY 2023-24.

Global economic picture is shaping better than feared with US economy showing resilience and recessionary fears getting reduced with production, consumption and labor market strengthening further. However, within Eurozone, major economies are reporting job losses, slump in retail sales and weak external demand trends. After raising the policy rate by 5.25% since March 2022 – in one of the Fed's fastest and biggest rate hike campaigns – it has now held the rate steady since July 2023 as inflation inches closer to its 2% target rate, from a high of over 9% in 2022. Rate cuts by Central Banks including the US Fed and RBI in FY 2024-25 are now widely anticipated. In India, too, inflation softened as February 2024 headline CPI was at 5.1%.

The geopolitical situation deteriorated due to the outbreak of a new conflict in West Asia and the Red Sea region, alongside the ongoing Russia-Ukraine war. Commodity prices started to harden towards the end of the financial year, led by rise in crude oil and precious metals prices. Commodity prices started to harden towards the end of the financial year, led by rise in crude oil and precious metals prices.

Indian economy's strong performance continued to surpass expectations despite the monsoon worries. Economy registered a healthy growth through 9M FY 2023-24 on the back of strong capex push and was also supported by continued post-COVID growth in the global economy. National Statistical Office has pegged India's GDP growth forecast for FY 2023-24 at 7.6%. Goods and Service Tax (GST) collection in the month of March 2024 rose 11.5% on an annual basis to ₹ 1.78 lakh crore, the second highest since the regime came into



force in July 2017. GST collection for FY 2023-24 saw an increase of 11.7 per cent at ₹ 20.14 lakh crore. The average GST collected per month in FY24 rose to ₹ 1.68 lakh crore from ₹ 1.5 lakh crore the year before.

While the economy continued its strong rebound, the K-shaped recovery was visible, led by strong urban and premium discretionary consumption whereas rural economy continues to lag with recovery being below expectations.

In this context, the monsoons would be a key to watch out for. The other notable event lined up is the general elections which would be followed by the presentation of the Union Budget.

Consensus expectations of medium-term earnings growth remains healthy and in mid-teens (for Nifty companies). Despite the strong market rally, valuations (1-year Forward Consensus P/E) still remain lower than peak seen in 2022 as earnings growth is also steaming ahead in tandem. However, valuations are trending higher than 10 year averages and the relative valuation of Nifty *i.e.* P/E premium to emerging markets, has widened further. Post the out performance of the mid cap and small cap segment, these indices are also trading at a significantly higher valuation than their 10-year averages.

KMMF continues with its disciplined approach to investing and follow its investment philosophy of Growth at a Reasonable Price (GARP). Its investment approach remains bottom up stock picking with a top down thematic overlay.

II. Debt market

The global debt market has been navigating through a tumultuous period, marked by significant volatility and uncertainty. Over the past fiscal year, the U.S. economy demonstrated notable resilience, characterized by a strong labor market and moderation in inflation. These factors collectively helped US economy in avoiding the anticipated risk of a recession.

The initial half of the financial year saw the Fed increasing the rates by 25 bps in May and July 2024 in response to inflationary pressures, a move that saw long-term bond yields soar as high as 5%. However, in its subsequent meetings, the Fed kept the rate unchanged at 5.25% to 5.50% signaling that the inflation eased over the past year, with the 10-year Treasury Rate at close to 4.20% towards the end of financial year 2024.

Amidst this global landscape of volatility, the Indian debt market stands out as a pillar of resilience and stability, supported by strong economic fundamentals and the momentum around bond index inclusion. Notably, despite the surge in US yields, Indian yields have demonstrated remarkable stability, with the differential between US and Indian tenures narrowing to sub-300 bps from a high of 500 bps in March 2022. This stability is a testament to India's robust GDP growth outlook, prudent fiscal management & inflation management and positive real interest rates, offering a stark contrast to the negative real rates observed in the US in CY 2022 and parts of 2023.

A crucial turning point for the Indian debt market has been the inclusion of Indian bonds in global indices such as JP Morgan and Bloomberg EM Global Aggregate Bond Index. The anticipation and eventual realization of this inclusion have triggered consistent foreign investment into Indian bonds, expected to bring about ~ USD 30-35 billion in inflows, thus boosting liquidity and potentially narrowing yield spreads further.

Domestically, the Reserve Bank of India ("RBI") has skillfully navigated through these global challenging times with policy decisions aimed at striking a balance between growth, inflation, and financial stability. Notably, in all Monetary Policy Committee meetings of FY 2023-24, RBI kept the policy rates unchanged after hiking rates by ~ 250 bps between May 2022 to February 2023. Given the global uncertainty and to remain vigilant on inflation risk, the RBI kept the benchmark repo rate unchanged at 6.50% for full fiscal year.

RBI managed the liquidity within the system, keeping liquidity tight in the second and third quarters of FY 2023-24, amid financial stability concerns due to significant long-term rates in developed markets. Consequently, the RBI executed an incremental Cash Reserve Ratio (CRR) hike in August 2023, followed by a rollback in October 2023. In last quarter of fiscal year, the RBI has done two-way operations in variable rate repo, to ensure liquidity in neutral to surplus levels, which has resulted in overnight rates coming close to the repo rate in last quarter.

D. SCHEME PERFORMANCE

I. Equity Schemes:

The snapshot of the performance of equity schemes for FY 2023-24 is as under:

Equity Scheme Name	Scheme Performance	Tier 1 Benchmark Name	Tier 1 Benchmark	Tier 1 Alpha	Tier 2 Benchmark Name	Tier 2 Benchmark	Tier 2 Alpha
Kotak Bluechip Fund	32.49%	Nifty 100 TRI	35.01%	-2.52%	Nifty 50 TRI	30.27%	2.22%
Kotak India EQ Contra Fund	48.73%	Nifty 500 TRI	40.75%	7.98%	Nifty 100 TRI	35.01%	13.72%
Kotak Emerging Equity Fund	38.23%	NIFTY Midcap 150 TRI	57.93%	-19.71%	Nifty Midcap 100 TRI	61.59%	-23.37%

Equity Scheme Name	Scheme Performance	Tier 1 Benchmark Name	Tier 1 Benchmark	Tier 1 Alpha	Tier 2 Benchmark Name	Tier 2 Benchmark	Tier 2 Alpha
Kotak Infrastructure and Economic Reform Fund	49.25%	Nifty Infrastructure TRI	65.67%	-16.42%	N/A	N/A	N/A
Kotak Smallcap Fund	38.63%	NIFTY Smallcap 250 TRI	64.60%	-25.97%	NIFTY Smallcap 100 TRI	71.37%	-32.74%
Kotak Equity Opportunities Fund	41.17%	NIFTY Large Midcap 250 TRI	46.28%	-5.11%	Nifty 200 TRI	38.51%	2.66%
Kotak Focused Equity Fund	33.72%	Nifty 500 TRI	40.75%	-7.03%	Nifty 200 TRI	38.51%	-4.79%
Kotak Flexi Cap Fund	34.97%	Nifty 500 TRI	40.75%	-5.78%	Nifty 200 TRI	38.51%	-3.54%
Kotak ELSS Tax Saver Fund	37.84%	Nifty 500 TRI	40.75%	-2.91%	-	-	-
Kotak Pioneer Fund	45.69%	85% Nifty 500 TRI + 15% MSCI ACWI Information Technology Index TRI	41.31%	4.38%	-	-	-
Kotak ESG Exclusionary Strategy Fund	33.21%	Nifty 100 ESG Index TRI	37.95%	-4.74%	-	-	-
Kotak Multicap Fund	61.88%	Nifty 500 Multicap 50:25:25 TRI	47.88%	14.00%	-	-	-
Kotak Manufacture In India Fund	49.19%	Nifty India Manufacturing TRI	55.41%	-6.22%	-	-	-
Kotak Business Cycle Fund	32.82%	Nifty 500 TRI	40.75%	-7.93%	-	-	-
Kotak Banking & Financial Services Fund	24.36%	Nifty Financial Services TRI	17.52%	6.84%	-	-	-

II. Equity Index Schemes:

The snapshot of the performance of equity index schemes for FY 2023-24 is as under:

Index Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Nifty Next 50 Index Fund	60.24%	Nifty Next 50 TRI	61.83%	-1.59%
Kotak NIFTY 50 Index Fund	29.38%	Nifty 50 TRI	30.27%	-0.90%

III. Hybrid Schemes:

The snapshot of the performance of hybrid schemes for FY 2023-24 is as under:

Equity Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Equity Arbitrage Fund	7.88%	Nifty 50 Arbitrage Index	8.17%	-0.29%
Kotak Equity Savings Fund	19.91%	NIFTY Equity Savings	15.49%	4.43%
Kotak Equity Hybrid Fund	26.96%	NIFTY 50 Hybrid Composite Debt 65:35 Index	22.28%	4.68%
Kotak Balanced Advantage Fund	19.54%	NIFTY 50 Hybrid Composite Debt 50:50 Index	18.95%	0.59%
Kotak Debt Hybrid Fund	17.38%	CRISIL Hybrid 85+15 - Conservative Index	12.46%	4.92%

IV. Debt Schemes:

The snapshot of the performance of debt schemes for FY 2023-24 is as under:

Debt Scheme Name	Scheme Performance	Tier 1 Benchmark Name	Tier 1 Benchmark	Tier 1 Alpha	Tier 2 Benchmark Name	Tier 2 Benchmark	Tier 2 Alpha
Kotak Bond Fund	7.74%	NIFTY Medium to Long Duration Debt Index B-III	8.31%	-0.58%	NIFTY Medium to Long Duration Debt Index	8.23%	-0.49%
Kotak Bond Short Term Fund	7.09%	NIFTY Short Duration Debt Index B-II	7.75%	-0.66%	NIFTY Short Duration Debt Index	7.47%	-0.38%
Kotak Dynamic Bond Fund	8.82%	NIFTY Composite Debt Index B-III	8.30%	0.51%	NIFTY Composite Debt Index	8.28%	0.53%
Kotak Money Market Fund	7.54%	NIFTY Money Market Index B-I	7.60%	-0.05%	NIFTY Money Market Index	7.53%	0.01%
Kotak Credit Risk Fund	8.23%	NIFTY Credit Risk Bond Index C-III	9.81%	-1.57%	NIFTY Credit Risk Bond Index	9.13%	-0.90%
Kotak Liquid Fund	7.12%	NIFTY Liquid Index B-I	7.44%	-0.32%	NIFTY Liquid Index	7.31%	-0.19%



Debt Scheme Name	Scheme Performance	Tier 1 Benchmark Name	Tier 1 Bench mark	Tier 1 Alpha	Tier 2 Benchmark Name	Tier 2 Benchmark	Tier 2 Alpha
Kotak Low Duration Fund - Growth	6.86%	NIFTY Low Duration Debt Index B-I	7.95%	-1.09%	NIFTY Low Duration Debt Index	7.68%	-0.82%
Kotak Medium Term Fund	8.05%	NIFTY Medium Duration Debt Index C-III	9.45%	-1.40%	NIFTY Medium Duration Debt Index	7.65%	0.40%
Kotak Savings Fund	6.97%	NIFTY Ultra Short Duration Debt Index B-I	7.84%	-0.87%	NIFTY Ultra Short Duration Debt Index	7.78%	-0.81%
Kotak Banking and PSU Debt Fund	7.39%	CRISIL Banking and PSU Debt Index	7.49%	-0.10%			
Kotak Corporate Bond Fund	7.53%	CRISIL Corporate Bond Fund BII Index	8.06%	-0.53%			
Kotak Gilt Fund	7.99%	NIFTY All Duration G-Sec Index	9.18%	-1.20%			
Kotak Floating Rate Fund	7.49%	NIFTY Short Duration Debt Index	7.47%	0.02%			
Kotak Overnight Fund	6.68%	NIFTY 1D Rate Index	6.84%	-0.16%			

V. Debt Index Schemes:

The snapshot of the performance of debt index schemes for FY 2023-24 is as under:

Index Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	6.95%	Nifty SDL Apr 2027 Top 12 Equal Weight	7.29%	-0.34%
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund	8.85%	Nifty SDL Apr 2032 Top 12 Equal Weight	9.19%	-0.33%
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	7.38%	Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index	8.10%	-0.72%
Kotak Nifty SDL Jul 2026 Index Fund	6.95%	Nifty SDL Jul 2026 Index	7.46%	-0.51%
Kotak Nifty SDL Jul 2033 Index Fund	8.91%	Nifty SDL Jul 2033 Index	9.43%	-0.52%

VI. Fund of Fund:

The snapshot of the performance of Fund of Fund for FY 2023-24 is as under:

FOF Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Multi Asset Allocator Fund of Fund – Dynamic	31.61%	90% Nifty 50 Hybrid Composite Debt 50:50 Index + 5% price of Physical Gold +5 % MSCI World Index	19.07%	12.55%
Kotak Gold Fund	10.63%	Price of Gold	12.54%	-1.91%
Kotak International REIT FOF	2.68%	S&P Asia Pacific ex Japan REIT TRI	12.50%	-9.82%
Kotak NASDAQ 100 Fund of Fund	41.37%	NASDAQ 100 TRI	42.04%	-0.66%
Kotak Global Innovation Fund of Fund	26.83%	MSCI All Country World Index TRI	25.13%	1.70%
Kotak Silver ETF Fund of Fund	1.65%	Price of silver	3.73%	-2.08%
Kotak All Weather Debt Fund of Fund	7.94%	NIFTY Composite Debt Index	8.28%	-0.34%
Kotak Global Emerging Market Fund	9.55%	MSCI Emerging Market Index	9.54%	0.00%

VII. Exchange Traded Funds:

The snapshot of the performance of exchange traded funds for FY 2023-24 is as under:

ETF Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Nifty 50 ETF	30.10%	Nifty 50 TRI	30.27%	-0.18%
Kotak Nifty PSU Bank ETF	89.57%	Nifty PSU Bank TRI	90.63%	-1.07%
Kotak S&P BSE Sensex ETF	26.28%	S&P BSE SENSEX TRI	26.66%	-0.38%
Kotak Nifty Bank ETF	16.87%	Nifty Bank TRI	17.12%	-0.26%
Kotak Nifty 50 Value 20 ETF	35.06%	Nifty 50 Value 20 TRI	35.31%	-0.26%

ETF Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha
Kotak Gold ETF	11.71%	Price of Gold	12.54%	-0.83%
Kotak Nifty IT ETF	23.89%	Nifty IT TRI	24.06%	-0.17%
Kotak Nifty Alpha 50 ETF	80.91%	Nifty Alpha 50 TRI	83.58%	-2.66%
Kotak Nifty Midcap 50 ETF	61.12%	Nifty Midcap 50 TRI	61.49%	-0.37%
Kotak Nifty 100 Low Vol 30 ETF	41.32%	NIFTY 100 Low Volatility 30 TRI	41.59%	-0.27%
Kotak Nifty India Consumption ETF	42.56%	NIFTY India Consumption Index TRI	42.95%	-0.39%
Kotak Nifty MNC ETF	36.38%	NIFTY MNC TRI	36.84%	-0.46%
Kotak Silver ETF	3.41%	Price of silver	3.73%	-0.32%
Kotak Nifty 1D Rate Liquid ETF	6.54%	NIFTY 1D Rate Index	6.84%	-0.30%

VIII. Scheme less than 1 year:

The snapshot of the performance of scheme less than 1 year (returns as per simple annualized method) is as under:

ETF Scheme Name	Scheme Performance	Benchmark Name	Benchmark	Alpha	Inception Date
Kotak Nifty Smallcap 50 Index Fund	65.18%	Nifty Smallcap 50 TRI	70.63%	-5.45%	10/04/2023
Kotak Nifty 200 Momentum 30 Index Fund	56.34%	Nifty 200 Momentum 30 TRI	60.50%	-4.16%	15/06/2023
Kotak Quant Fund	54.95%	Nifty 200 TRI	30.64%	24.31%	02/08/2023
Kotak Nifty Financial Services Ex-Bank Index Fund	29.57%	Nifty Financial Services Ex-Bank TRI	32.52%	-2.95%	14/08/2023
Kotak S&P BSE Housing Index Fund	34.41%	S&P BSE Housing TRI	35.88%	-1.47%	28/08/2023
Kotak Multi Asset Allocation Fund	27.51%	NIFTY 500 TRI (65%) + NIFTY Short Duration Debt Index (25%) + Domestic Price of Gold (5%) + Domestic Price of Silver (5%)	25.53%	1.98%	22/09/2023
Kotak Nifty G-Sec July 2033 Index Fund	10.75%	Nifty G-Sec July 2033 Index	11.12%	-0.37%	11/10/2023
Kotak Consumption Fund	19.38%	Nifty India Consumption TRI	45.63%	-26.25%	16/11/2023
Kotak Healthcare Fund	45.02%	Nifty Healthcare TRI	61.57%	-16.55%	11/12/2023
Kotak Long duration fund	7.04%	Nifty Long Duration Debt Index A-III	7.32%	-0.28%	11/03/2024
Kotak Technology Fund	-38.78%	S&P BSE Teck TRI	-64.80%	26.02%	04/03/2024

E. AWARDS

During the FY 2023-24, the Company/KMMF has won the following awards:

- **Morning Star Fund Awards 2024:** Best Medium to Long Duration Fund: Kotak Bond Fund.
- **Asia Book of Records 2024:** Largest Investor Education Program for CBSE School Teachers.
- **India Book of Records 2024:** Largest Investor Education Program for CBSE School Teachers.
- **Digixx Awards 2024:**
 - o PR / ORM – Seekho Paiso ki Bhasha.
 - o Best Use of Social Media (BFSI) – Sahi Samay Pe SIP Karo.
 - o Brand Awareness Campaign (BFSI) - Sahi Samay Pe SIP Karo.
 - o Data, Analytics and Optimization - Digital Customer Segmentation.

F. INVESTOR AWARENESS PROGRAM

KMAMC has introduced “**Seekho Paiso ki Bhasha**” an investor awareness and education initiative that has earned recognition in the Asia & India Book of Records. Under this initiative, the Company had organized 992 Investor Awareness Programs nationwide to educate and inform potential investors about Mutual Funds. Throughout the FY 2023-24, Investor Awareness Programs were conducted at 100 locations, drawing approximately 59 thousand participants. These on-ground events aimed to educate attendees about mutual funds and their potential benefits. The Company conducted such programs in cities such as Mumbai, Delhi, Pune, Chennai, Kolkata, and various other locations.

Additionally, in an effort to enhance awareness about SIPs in mutual funds and emphasize the advantages of starting the SIP early, the Company launched “Sahi Samay Pe SIP Karo” campaign. This initiative was designed to educate the audience on SIPs, their benefits, and demonstrate how SIP can help in achieving the financial goals when initiated at the right time or at an early age. The campaign featured a series of videos and was complemented by a digital outreach effort spanning social media pages, google display network, and other channels, ensuring effective communication with the target demographics.



4. KEY SEBI CIRCULARS PERTAINING TO THE MUTUAL FUND AREA

Sr. No.	Date of Circular	Subject of the Circular
1.	19 th April, 2023	Review of Cyber Security and Cyber Resilience framework for Mutual Funds/Asset Management Companies (AMCs)
2.	28 th April, 2023	Regarding SEBI Circular on Development of Passive Funds
3.	13 th June, 2023	Regulatory framework for Execution Only Platforms for facilitating transactions in direct plans of schemes of Mutual Funds
4.	07 th July, 2023	Roles and responsibilities of Trustees and board of directors of Asset Management Companies
5.	07 th July, 2023	Regulatory Framework for Sponsors of a Mutual Fund
6.	11 th August, 2023	Simplification of KYC process and rationalisation of Risk Management Framework at KYC (Know Your Client) Registration Agencies (KRAs)
7.	20 th September, 2023	Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.
8.	01 th November, 2023	Simplification and streamlining of Offer Documents of Mutual Fund Schemes

The Company has ensured that under the supervision of the compliance team, all regulatory circulars are complied with.

5. UPDATES ON KEY EVENTS

The Company along with the key employees was served a Show Cause Notice ("SCN") in the matter of certain Fixed Maturity Plans, as already reported to the members in the previous year report.

As reported, the Company had obtained a stay from Securities Appellate Tribunal ("SAT") on the said proceedings. The matter is pending at SAT as on the date of this report.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. BOARD COMPOSITION

The Board comprises of professional individuals with varied experience, skills, qualifications and competencies which enables constructive discussion and informed decisions. The Board comprises of an optimum mix of Executive, Non-Executive Non-Independent and Independent Directors in alignment with the provisions of the Act, SEBI MF Regulations and other applicable statutory, regulatory and contractual obligations.

As on 31st March, 2024, the Board comprises of 8 (eight) directors, consisting of 4 (four) Independent Directors [including an Independent Woman Director], 3 (three) Non-Executive Non-independent Directors and 1 (one) Managing Director, as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Uday Kotak	Chairman and Non-Executive Director
2.	Ms. Anjali Raina	Independent Director
3.	Mr. Chengalath Jayaram	Non-Executive Director
4.	Mr. Gaurang Shah	Non-Executive Director
5.	Mr. Krishnakumar Natarajan	Independent Director
6.	Mr. Laxminarayan Rangarajan	Independent Director
7.	Mr. Nilesh Shah	Managing Director
8.	Mr. Sanjiv Malhotra	Independent Director

I. Directors resigned

Ms. Anjali Bansal (DIN: 00207746) had resigned from the Board of the Company w.e.f. the close of business hours of 5th June, 2023.

Your Directors place on record their sincere appreciation for the valuable contribution and guidance provided by her during her tenure as Director of the Company.

II. Directors retiring by rotation

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, Mr. Chengalath Jayaram (DIN: 00012214) is liable to retire by rotation at the ensuing Thirtieth Annual General Meeting ("AGM") of the Company.

Mr. Jayaram, who is eligible for re-appointment, has conveyed that he does not intend to seek re-appointment and will retire on completion of his current term at the Thirtieth AGM.

Your Directors place on record their acknowledgement and appreciation for the valuable contribution and guidance provided by him during his tenure as Director of the Company.

III. Directors appointed/re-appointed

The Board had appointed Mr. Laxminarayan Rangarajan (DIN: 10062932) as an Additional Director (Non-Executive & Independent) for a term of 5 (five) years w.e.f. 13th April, 2023 to 12th April, 2028. Subsequently, the shareholders had, at the AGM of the Company held on 20th June, 2023, approved the appointment of Mr. Laxminarayan Rangarajan as Non-Executive Independent Director for the aforementioned term.

The Board had also appointed Ms. Anjali Raina (DIN: 02327927) as an Additional Director (Non-Executive & Independent) for a term of 5 (five) years w.e.f. 10th July, 2023 to 9th July, 2028. The shareholders had, at the Extraordinary General Meeting ("EGM") of the Company held on 29th August, 2023, approved the appointment of Ms. Anjali Raina as Non-Executive Independent Director for the aforementioned term.

Mr. Nilesh Shah (DIN: 01711720) was originally appointed as the Managing Director w.e.f. 15th January, 2015 and he was last re-appointed as Managing Director of the Company for a period of 3 (three) years commencing from 15th January, 2021 to 14th January, 2024. Accordingly, the Board had, at its meeting held on 20th October, 2023, approved the re-appointment of Mr. Nilesh Shah as the Managing Director of the Company for a period of 3 (three) years w.e.f. 15th January, 2024 till 14th January, 2027, not liable to retire by rotation, subject to the approval of the shareholders of the Company. Consequently, the shareholders had, at the EGM of the Company, held on 30th November, 2023, approved the re-appointment of Mr. Nilesh Shah as Managing Director for the aforementioned term.

IV. Fit and proper criteria

All the Directors meet the fit and proper criteria as stipulated under the SEBI MF Regulations, as amended from time to time.

V. Declaration of Non-disqualification by Directors

Basis the declaration received from all the directors of the Company, none of the directors is disqualified from being appointed as director pursuant to Section 164 of the Act.

VI. Declaration from Independent Directors

All the Independent Directors have submitted the declarations as per the provisions of Section 149(7) of the Act and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act.

The Independent Directors have registered themselves on Independent Director's Databank and have complied with Rule 6(1) and Rule 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

VII. Director e-KYC

The Ministry of Corporate Affairs ("MCA") has *vide* its amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC for the Directors on annual basis. Accordingly, all the Directors of the Company have complied with the aforementioned requirement in FY 2023-24.

VIII. Board Evaluation

A formal evaluation of the performance of the Board, its Committees, the Chairman and the Individual Directors was conducted for the FY 2023-24. The evaluation was carried out based on the detailed questionnaire which *inter-alia* covered the following key criteria:

- i. **Board:** Competencies, composition and structure of the Board, Board dynamics, process and procedure, Board functioning, oversight of committee composition & functioning and ethics & compliance.
- ii. **Chairperson of the Board:** Function & Duties, management relations, professional & ethical conduct and certain other parameters such as efficient leadership and professionalism, open-minded, driver of innovation, courteous, decisive, etc.
- iii. **Individual Directors:** Function & Duties, management relations and professional & ethical conduct.
- iv. **Committees constituted by the Board:** Composition and quality, process & procedure, terms of reference and Committee specific questions.

As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board was done by the Independent Directors. The performance evaluation of the Board, its Committees, Chairman and that of Independent and Non-Independent Directors was done by the Board, excluding the Director being evaluated. Based on the performance evaluation, the Board is satisfied with the results of the performance evaluation of the Board, its Committees, the Chairman and the Individual Directors and suggested certain areas on improvement which included continuous training and familiarization programs for the Board.

B. KEY MANAGERIAL PERSONNEL

In terms of the provisions of Section 2(51) and Section 203 of the Act read with Rule 8 of the Companies (Appointment of Remuneration of Managerial Personnel) Rules, 2014, the following officials of the Company are the Key Managerial Personnel ("KMP") as on 31st March, 2024:



Sr. No.	Name of KMP	Designation
1.	Mr. Nilesh Shah	Managing Director
2.	Mr. Krishnan Ramachandran	Chief Financial Officer
3.	Ms. Darshana Tanna	Company Secretary

During the FY 2023-24, Ms. Jolly Bhatt (ICSI Membership No. A21908) had stepped down as Company Secretary of the Company w.e.f. the close of business hours on 31st October, 2023. She continues with the organization as the Compliance Officer. Your Directors express their sincere appreciation for the valuable contribution made by Ms. Jolly Bhatt during her tenure as the Company Secretary of the Company.

Consequently, Ms. Darshana Tanna (ICSI Membership No. A26002) was appointed as the Company Secretary and KMP of the Company w.e.f. 1st November, 2023.

C. REMUNERATION / COMPENSATION POLICY

The Nomination and Remuneration Committee of the Company has formulated the criteria for appointment of KMP and Senior Management Personnel.

The Company has in-place Remuneration/Compensation Policy which *inter-alia* covers compensation philosophy, forms of compensation to the Non-Executive Directors, KMP and Senior Management, etc. The policy is available on the website of the Company at <https://www.kotakmf.com/Information/corporate-disclosure>.

The approval of the shareholders is sought at the ensuing Thirtieth AGM of the Company for payment of profit-based commission to Non-Executive Directors (*i.e.* directors who are not in employment of Kotak Bank or its subsidiaries and associates) of the Company for FY 2023-24, computed as per the Remuneration/Compensation Policy.

The remuneration to KMPs is as per the terms of their employment.

7. BOARD AND ITS COMMITTEES

A. BOARD OF DIRECTORS

The Board meets at regular intervals, *inter-alia*, to discuss various matters relating to the Company's business, scheme performance review, financial performance, risk management, internal controls, operations, compliance management, business strategies, audit matters and other pertinent matters. During the FY 2023-24, 7 (seven) meetings of the Board were held *i.e.* on 27th April, 2023, 17th May, 2023, 22nd June, 2023, 20th July, 2023, 20th October, 2023, 19th January, 2024 and 7th March, 2024; and the gap between any two consecutive meetings was less than 120 (one hundred and twenty) days.

Additionally, a joint meeting of Board of KMAMC and Kotak Mahindra Trustee Company Limited ("KMTC") (Trustees of KMMF) was held on 13th January, 2024, wherein the Directors discussed the business and strategic matters.

B. COMMITTEES

The Board has constituted various Board Committees to strengthen the governance framework of the Company. The Board Committees are constituted in compliance with the provisions of the Act, SEBI MF Regulations and good governance practices.

The meetings of the Committees are also conducted at regular intervals to enable focused deliberation on statutory, business and other matters that forms the basis for the Board's decision-making.

The Chairpersons of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee and Unit Holder Protection Committee are Independent Directors.

During the FY 2023-24, there have been no instances where the Board has not accepted any recommendation of any Committee of the Board.

I. Audit Committee

The Company has Board-level Audit Committee in compliance with the provisions of the SEBI Master Circular on Mutual Funds dated 19th May, 2023. As on 31st March, 2024, the composition of the Audit Committee is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Mr. Laxminarayan Rangarajan	Chairman	Independent Director
2.	Mr. Chengalath Jayaram	Member	Non-Executive Director
3.	Mr. Krishnakumar Natarajan	Member	Independent Director
4.	Mr. Sanjiv Malhotra	Member	Independent Director

Note:

- a. Mr. Laxminarayan Rangarajan was appointed as member of the Audit Committee w.e.f. 27th April, 2023 and as Chairman of the Audit Committee w.e.f. 22nd June, 2023.
- b. Mr. Sanjiv Malhotra stepped down as a Chairman of the Audit Committee w.e.f. 22nd June, 2023. Mr. Malhotra continues to be a member of the Audit Committee.

During the FY 2023-24, 7 (seven) meetings of the Audit Committee were held i.e. on 27th April, 2023, 17th May, 2023, 22nd June, 2023, 20th July, 2023, 20th October, 2023, 19th January, 2024 and 7th March, 2024; and the gap between any two consecutive meetings was less than 120 (one hundred and twenty) days.

The quorum for the meeting of the Audit Committee is presence of two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors.

Additionally, a joint meeting of Audit Committee of KMAMC and KMTC was held on 19th January, 2024, wherein, the members discussed the internal audit matters pertaining to the schemes of KMMF.

II. Nomination and Remuneration Committee

The Company, being the wholly owned subsidiary of Kotak Bank, is exempted from compliance with the provisions of Section 178 of the Act including the constitution of Nomination and Remuneration Committee ("NRC"). However, the Company has in-place the Board-level NRC as a good governance practice. As on 31st March, 2024, the composition of the NRC is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Mr. Krishnakumar Natarajan	Chairman	Independent Director
2.	Mr. Chengalath Jayaram	Member	Non-Executive Director
3.	Mr. Gaurang Shah	Member	Non-Executive Director
4.	Mr. Sanjiv Malhotra	Member	Independent Director

Note:

- a. Ms. Anjali Bansal stepped down as the Chairperson and member of the NRC w.e.f. 27th April, 2023.
- b. Mr. Krishnakumar Natarajan was appointed as a Chairman of the NRC w.e.f. 27th April, 2023.

During the FY 2023-24, 3 (three) meetings of the NRC were held i.e. on 3rd April, 2023, 27th April, 2023 and 19th October, 2023. The quorum for the meeting of NRC is presence of any two members.

III. Risk Management Committee

The Company has in-place a Board-level Risk Management Committee ("RMC") which *inter-alia* reviews the overall risk management policies, framework and its implementation thereof in compliance with the SEBI Master Circular on Mutual Funds dated 19th May, 2023. As on 31st March, 2024, the composition of the RMC is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Mr. Laxminarayan Rangarajan	Chairman	Independent Director
2.	Mr. Gaurang Shah	Member	Non-Executive Director
3.	Mr. Nilesh Shah	Member	Managing Director
4.	Mr. Sanjiv Malhotra	Member	Independent Director

Note:

- a. Mr. Krishnakumar Natarajan and Mr. Chengalath Jayaram stepped down as the members of the RMC w.e.f. 27th April, 2023.
- b. Mr. Laxminarayan Rangarajan was appointed as the Chairman and member of the RMC w.e.f. 27th April, 2023.
- c. Mr. Nilesh Shah and Mr. Gaurang Shah were appointed as the members of the RMC w.e.f. 27th April, 2023.

During the FY 2023-24, 4 (four) meetings of the RMC were held i.e. on 16th June, 2023, 15th September, 2023, 22nd November, 2023 and 7th March, 2024. The quorum for the meeting of RMC is presence of any two members.

Additionally, a joint meeting of RMC of KMAMC and KMTC was held on 11th March, 2024, wherein, the members discussed various risks pertaining to the schemes of KMMF and its mitigation plan.



IV. Corporate Social Responsibility Committee

In terms of the provisions of Section 135 of the Act, the Company has in-place the Corporate Social Responsibility ("CSR") Committee of the Board. As on 31st March, 2024, the composition of the CSR Committee is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Mr. Sanjiv Malhotra	Chairman	Independent Director
2.	Mr. Chengalath Jayaram	Member	Non-Executive Director
3.	Mr. Gaurang Shah	Member	Non-Executive Director
4.	Mr. Krishnakumar Natarajan	Member	Independent Director

Note:

- a. Ms. Anjali Bansal ceased to be the member of the CSR Committee subsequent to her resignation from the Board of the Company w.e.f. 5th June, 2023.

During the FY 2023-24, 3 (three) meetings of the CSR Committee were held i.e. on 17th August, 2023, 20th December, 2023 and 26th March, 2024. The quorum for the meeting of the CSR Committee is presence of any two members.

V. Information Technology Strategy Committee

The Company has in-place a Board-level Information Technology Strategy Committee ("ITSC") as a good governance practice. As on 31st March, 2024, the composition of the ITSC is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Mr. Krishnakumar Natarajan	Chairman	Independent Director
2.	Mr. Laxminarayan Rangarajan	Member	Independent Director
3.	Mr. Nilesh Shah	Member	Managing Director

Note:

- a. Ms. Anjali Bansal stepped down as the Chairperson and member of the ITSC w.e.f. 27th April, 2023.
 b. Mr. Krishnakumar Natarajan was designated as the Chairman of the ITSC w.e.f. 27th April, 2023.
 c. Mr. Laxminarayan Rangarajan was appointed as the member of the ITSC w.e.f. 27th April, 2023.

During the FY 2023-24, 2 (two) meetings of the ITSC were held i.e. on 12th October, 2023 and 4th March, 2024. The quorum for the meeting of ITSC is presence of any two members.

VI. Unit Holder Protection Committee

The Board has, at its meeting held on 20th October, 2023, constituted the Unit Holder Protection Committee ("UHPC") of the Board in compliance with the provisions of the SEBI circular dated 7th July, 2023. As on 31st March, 2024, the composition of the UHPC is as follows:

Sr. No.	Name	Position in the Committee	Designation
1.	Ms. Anjali Raina	Chairperson	Independent Director
2.	Mr. Laxminarayan Rangarajan	Member	Independent Director
3.	Mr. Chengalath Jayaram	Member	Non-Executive Director

During the FY 2023-24, 2 (two) meetings of the UHPC were held i.e. on 30th January, 2024 and 6th March, 2024. The quorum for the meeting of UHPC is presence of two members or one third of the members of the UHPC, whichever is greater, with at least two Independent Directors.

The minutes of the meetings of the aforementioned Board Committees were also submitted to the Board at regular intervals.

8. AUDITORS

A. STATUTORY AUDIT

Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) are the Statutory Auditors of the Company. They were appointed for the period of 5 (five) years i.e. from the conclusion of AGM of FY 2019-20 till the conclusion of AGM of FY 2024-25 of the Company.

The Statutory Audit report does not contain any qualifications, reservations or adverse remarks or disclaimer. Further, no frauds have been reported by the statutory auditors under Section 143(12) of the Act.

B. SECRETARIAL AUDIT

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Rupal D. Jhaveri, Practicing Company Secretary, Mumbai (FCS No. 5441 and Certificate of Practice No. 4225), to conduct the secretarial audit of the Company for FY 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed to this Report as **Annexure – II**.

The Secretarial Audit report does not contain any qualifications, reservations or adverse remarks or disclaimer. Further, no frauds have been reported by the secretarial auditors under Section 143(12) of the Act.

C. COST AUDIT

The provisions relating to the cost records and cost audit as prescribed under Section 148 of the Act, are not applicable to the Company.

9. INTERNAL FINANCIAL CONTROLS

The Board confirms that there are adequate internal financial controls in place with reference to Financial Statements and that such controls are operating effectively. During the FY 2023-24, no material or serious observation were highlighted for inefficiency or inadequacy of such controls.

10. RELATED PARTY TRANSACTIONS

During the FY 2023-24, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with Companies (Specification of Definitions Details) Rules, 2014, and applicable Accounting Standards. All such transactions were in the ordinary course of business and at arm's length. The Company had obtained the omnibus approval of the Audit Committee for all such transactions.

Further, the Company has not entered into any material related party transactions during the FY 2023-24.

The Company has a Board approved policy for dealing with Related Party Transactions.

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

All related party transactions as required under Indian Accounting Standard 24 are reported in the notes to the financial statements.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the FY 2023-24, the Company has not given any loan, guarantee or made investment which attract the provisions of Section 186 of the Act.

12. WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy to raise concerns internally and to disclose information which the individual believes shows malpractice, serious irregularities, fraud, unethical business conduct, abuse or wrong doing or violation of any Indian law. The said policy is applicable to employees, directors and any other stakeholders of the Company. During the FY 2023-24, no person was denied access to the Audit Committee of the Company. The Policy is also available on the website of the Company at <https://www.kotakmf.com/Information/forms-and-downloads>.

13. CORPORATE SOCIAL RESPONSIBILITY

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

The CSR policy is available on the Company's website at <https://www.kotakmf.com/Information/corporate-disclosure>.

Your Company's CSR Projects and CSR Project Expenditure are compliant with the CSR mandate as specified under Section 134, Section 135 read with Schedule VII of the Act along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, and in line with the Government of India's notifications issued, from time to time.

The 2% of average net profit of the Company for CSR Obligation of FY 2023-24 as per Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, is ₹ 9.78 crore.

The Company's CSR Budget for FY 2023-24 is ₹ 9.84 crore. An amount of ₹ 0.95 crore which is on account of the unutilised CSR Project Expenditure of ongoing CSR Projects of FY 2023-24 has been transferred to the Kotak Mahindra Asset Management Company Limited Unspent CSR Account FY 2023-24 in April 2024. Your Company is committed to utilize the unutilized CSR Project Expenditure of ₹ 0.95 crore towards the ongoing CSR Projects within the stipulated three years i.e. from 1st April, 2024 to 31st March, 2027, which have been initiated in FY 2023-24 and continue to be under implementation as on 31st March, 2024.

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



(₹ in crore)

Name of the Unspent account	Ongoing CSR Projects to which Unspent account relates	Amount transferred to Unspent account in respective financial years	Amount disbursed from unspent accounts till date	Balance as on 31 st March, 2024
Kotak Mahindra Asset Management Company Limited Unspent CSR account FY 2020-21	FY 2020-21	2.67	2.67	0
Kotak Mahindra Asset Management Company Limited Unspent CSR account FY 2021-22	FY 2021-22	5.40	5.35*	0.05**
Kotak Mahindra Asset Management Company Limited Unspent CSR account FY 2022-23	FY 2022-23	5.35	5.27	0.08

(*) Excludes ₹ 0.0225 crore of unutilised amount which was refunded by implementing agency on 6th April, 2024.

(**) Includes ₹ 0.0225 crore of unutilised amount which was refunded by implementing agency on 6th April, 2024.

Your Company has committed the amount available in Unspent accounts towards completion of Board approved Ongoing CSR Projects within the stipulated time limit specified under the Act. The details of the same are more particularly described in the section on Annual Report on CSR activities for FY 2023-24 annexed to this Report.

The details of CSR projects and expenditure under Section 135 of the Act, for FY 2023-24, are annexed to this Report as **Annexure – III**.

14. RISK MANAGEMENT POLICY

A. RISK MANAGEMENT

Risk Management Framework for Mutual Funds has been prescribed under Chapter 4 of the SEBI Master Circular on Mutual Funds dated 19th May, 2023 effective from 1st April, 2022.

With the overall objective of management of key risks involved in mutual fund operations, the Risk Management Framework (RMF) provides a set of principles or standards, which *inter-alia* comprise the policies, procedures, risk management functions and roles & responsibilities of the management, the Board of asset management company and the Board of Trustees.

The RMC of the Board of the Company and of KMTC independently oversees the risk management function.

The RMF practices are being audited by the Internal Auditors and their audit report on risk management is presented to the Board of the Company and of the KMTC, periodically. Additionally, SEBI has mandated the mutual funds to conduct system audit annually and cyber security audit twice a year, by an independent auditor. The same has been implemented by the Company.

Risk Management function is operational at two levels. The first level is an integral part of the concerned functions like Fund Management, Information Technology, Operations and Treasury; while the internal operational and regulatory functions like the investment positions are managed at the floor level.

The investment, credit and liquidity risks related to schemes are overseen by the management-level Investment Committee constituted by the Board, the system and cyber related risks are overseen by Board-level ITSC, whereas, the RMC oversees the operational risk function.

The Company has robust risk management policy and practices in all the above related areas of functioning to check the adequacy of the risk management systems.

The Company also has Cyber Security and Cyber Resilience framework in place in accordance with Clause 4.7 of the SEBI Master Circular on Mutual Funds dated 19th May, 2023.

B. LIQUIDITY MANAGEMENT

The RBI had, *vide* its circular dated 7th November, 2012, stipulated that banks need to put in place a framework for monitoring institution-wide liquidity risk and for overseeing operating subsidiaries and foreign branches. Further, the RBI has, in its Annual Financial Inspection Report, directed the banks to implement a group wide liquidity risk management framework.

Based on the above, Kotak Bank and its group companies have adopted a Liquidity Risk Management Policy. The Board has adopted Liquidity Risk Management Policy which is in line with the Kotak Bank's Policy.

The Company invests its surplus funds in schemes of the KMMF as mandated by the Board / extant SEBI Regulations. The Company's surplus funds were invested by the authorized personnel of the Company as per the mandate of the Board. The Company also has Manual of Policies and Procedures for expenditure management (including capital and revenue). All expenses during the year were in accordance with the Policy.

15. EMPLOYEES

As on 31st March, 2024, the total number of employees of the Company was 704.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated a Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) which is a zero-tolerance policy and provides protection against sexual harassment of KMAMC's women employees at workplace, and the prevention and redressal of complaints therein.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the FY 2023-24, there were no complaints received/cases filed/cases pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

16. DEPOSITS

During the FY 2023-24, the Company neither invited nor accepted any deposit from the public or the members of the Company falling within the ambit of Section 73 to Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Also, there are no deposits due and outstanding as on 31st March, 2024.

17. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since, the Company does not undertake any manufacturing facility, the provisions pertaining to Section 134(3)(m) of the Act regarding conservation of energy and technological absorption are not applicable to the Company.

The details of the Company's foreign exchange income and outgo, as per the audited financials, is as follows:

(₹ in lakh)

Particulars	FY 2023-24	FY 2022-23
Foreign exchange income	725	945
Foreign exchange outgo	123.81	132.37

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which has occurred post the end of the FY 2023-24 till the date of this report.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNAL

There were no significant or material orders passed by the Regulators/Courts/Tribunal during the FY 2023-24, which would impact the going concern status of the Company and its future operations.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors, based on the representations received from the management, confirm that:

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

21. SECRETARIAL STANDARDS

During the FY 2023-24, the Company had complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India in terms of the Act.



22. CHANGE IN THE NATURE OF BUSINESS

During the FY 2023-24, there has been no change in the nature of the business of the Company.

23. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the copy of the Annual Return of the Company as on 31st March, 2024 is available on the Company's website at <https://www.kotakmf.com/Information/corporate-disclosure>.

24. OTHER DISCLOSURES

In terms of the applicable provisions of the Act, the Company additionally discloses that during the FY 2023-24:

- i. The Managing Director of the Company has not received any remuneration or commission from the holding or subsidiary company;
- ii. There was no revision in the financial statements or Directors' Report of the Company in preceding 3 (three) financial years;
- iii. The Company has not made any applications and no proceedings were pending under the Insolvency and Bankruptcy Code, 2016; and
- iv. The Company has not made any one-time settlement with the Banks or Financial Institutions.

25. ANNEXURES

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

- i. A statement containing salient features of the financial statements of the associate in the prescribed Form AOC-1 (**Annexure – I**).
- ii. Secretarial Audit Report pursuant to Section 204 of the Act (**Annexure – II**).
- iii. Report on CSR activities pursuant to the provisions of Section 135(4)(a) of the Act read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (**Annexure – III**).

26. ACKNOWLEDGEMENT

The Board takes this opportunity to express its sincere appreciation to all the employees for the commendable teamwork, outstanding performance, enthusiastic contribution and dedication at all levels. The Board is also thankful to the Board of Directors of KMTTC, the Registrars and Share Transfer Agents, the Auditors, the Custodians, the Bankers, the Distributors and all other service providers for their continued support.

The Board sincerely appreciates the continuous trust and confidence reposed by the investors in the schemes of KMMF.

The Board places on record its gratitude for the valuable guidance and assistance received from the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India, the Association of Mutual Funds of India, the Ministry of Corporate Affairs, the Registrar of Companies, the Stock Exchanges, the Depositories and other Government and Regulatory agencies.

The Board also expresses their gratitude for the unstinted support and guidance received from Kotak Bank and other group companies.

For and on behalf of the Board of Directors

UDAY KOTAK
CHAIRMAN
(DIN: 00007467)

Place: Mumbai

Date: 29th April, 2024

Form AOC-1

(Pursuant to first proviso to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries

Sr. No.	Particulars	Details
1.	Name of the subsidiary	None
2.	The date since when subsidiary was acquired	Not Applicable
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	
5.	Share capital	
6.	Reserves and surplus	
7.	Total assets	
8.	Total Liabilities	
9.	Investments	
10.	Turnover	
11.	Profit before taxation	
12.	Provision for taxation	
13.	Profit after taxation	
14.	Proposed Dividend	
15.	Extent of shareholding (in percentage)	

Notes:

Names of subsidiaries which are yet to commence operations: None.

Names of subsidiaries which have been liquidated or sold during the year: None.

Part B: Associates and Joint Ventures

Sr. No.	Particulars	Details
1.	Name of Associates or Joint Ventures	Kotak Mahindra Pension Fund Limited
2.	Latest audited Balance Sheet Date	31 st March, 2024
3.	Date on which the Associate or Joint Venture was associated or acquired	18 th May, 2021
4.	Shares of Associate or Joint Ventures held by the company on the year end:	
i.	No.	2,94,00,000
ii.	Amount of Investment in Associates or Joint Venture	29,40,00,000
iii.	Extent of Holding (in percentage)	49.00%
5.	Description of how there is significant influence	Shareholding
6.	Reason why the associate/Joint venture is not consolidated.	-
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 28,05,01,167
8.	Profit or Loss for the year:	
i.	Considered in Consolidation	₹ 56,78,487
ii.	Not Considered in Consolidation	₹ 59,10,262

Notes:

Names of associates or joint ventures which are yet to commence operations: None.

Names of associates or joint ventures which have been liquidated or sold during the year: None.

For and on behalf of the Board of Directors of Kotak Mahindra Asset Management Company Limited

Nilesh Shah
Managing Director
DIN: 01711720

Gaurang Shah
Director
DIN: 00016660

Krishnan Ramchandran
Chief Financial Officer
Membership No. 46586

Darshana Tanna
Company Secretary
Membership No. 26002

Date: 29th April, 2024

Place: Mumbai



Form No. MR-3 - Secretarial Audit Report

for the financial year ended March 31, 2024 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED ("the Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the audit period)**
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the audit period)**
4. The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; **(Not Applicable to the Company during the audit period)**
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the audit period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during the audit period)**
 - (j) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; **(Not Applicable to the Company during the audit period)** and
 - (k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. **(Not Applicable to the Company during the audit period)**

6. Other Regulations/Laws specifically applicable to the Company namely:-
- The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended;
 - The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended;
 - The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended.

7. Other laws to the extent applicable to the Company as per the representations made by the Company;

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

- (1) Secretarial Standards issued pursuant to Section 118(10) of the Act, by the Institute of Company Secretaries of India.

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

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

I further report that

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

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where shorter notice is given, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period:

- No show cause notice has been received by the Company under the Act referred above or any other laws applicable to the Company during the period under review. However, the SAT hearing for SEBI order dated August 27, 2021 and June 30, 2022 has been adjourned to May 09, 2024.
- Mr. Laxminarayan Rangarajan (DIN:10062932) has been appointed as an Additional Director (Non-Executive & Independent) of the Company by Board of Directors of the Company through circular resolution dated April 12, 2023 for a term of 5 years with effect from April 13, 2023 to April 12, 2028 and the said appointment was approved by the shareholders of the Company in the Annual General Meeting dated June 20, 2023.
- Ms. Anjali Bansal has ceased to be Independent Non-Executive Director of the Company with effect from June 5, 2023.
- Ms. Anjali Raina (DIN: 02327927) has been appointed as an Additional Director (Non-Executive & Independent) of the Company by the Board of Directors of the Company through circular resolution dated July 7, 2023 for a term of 5 years with effect from July 10, 2023 to July 09, 2028 and the said appointment was approved by the shareholders of the Company in the Extra Ordinary General Meeting dated August 29, 2023.
- Ms. Jolly Bhatt has stepped down as Company Secretary of the Company due to re-organization of secretarial and compliance function of the Company with effect from October 31, 2023 and Ms. Darshana Tanna has been appointed as a Company Secretary (Whole-Time Key Managerial Personnel) of the Company with effect from November 01, 2023.

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No.: 4225

UDIN: F005441F000276261

Peer Review No.: PR1139/2021

Place: Mumbai

Date: April 29, 2024

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



'ANNEXURE A'

To,
The Members,

KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED

My report of even date is to be read along with this letter.

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

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No.: 4225

UDIN: F005441F000276261

Peer Review No.: PR1139/2021

Place: Mumbai

Date: April 29, 2024

Annual Report on CSR Activities of the Company

for the financial year ended 31st March, 2024

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Kotak Mahindra Asset Management Company Limited ("KMAMC"/"Company") recognizes its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

KMAMC aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation. It is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs). KMAMC's CSR policy sets out its vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

KMAMC endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation	Position in the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sanjiv Malhotra	Independent Director	Chairman	3	3
2.	Mr. Chengalath Jayaram	Non-Executive Director	Member	3	3
3.	Mr. Gaurang Shah	Non-Executive Director	Member	3	3
4.	Mr. Krishnakumar Natarajan	Independent Director	Member	3	3

- Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:** The details of Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at <https://www.kotakmf.com/Information/corporate-disclosure>.
- The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** The impact assessment is not mandatory for the Company as its average CSR obligation of past three financial years, is less than ₹ 10 crore (limit for mandatory Impact assessment prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time).
- Average net profit of the Company as per sub-section (5) of section 135:** ₹ 489.03 crore.
 - Two percent of average net profit of the company as per sub-section (5) of section 135:** ₹ 9.78 crore.
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Not Applicable.
 - Amount required to be set-off for the financial year, if any:** Nil.
 - Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 9.78 crore.
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 9.69 crore (including the amount transferred to Unspent account).
 - Amount spent in Administrative Overheads:** ₹ 0.15 crore.
 - Amount spent on Impact Assessment, if applicable:** Not applicable.
 - Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 9.84 crore.
 - CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8.89*	0.95	26 th April, 2024	NA	NA	NA

* includes administrative overhead cost of ₹ 0.15 crore.

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

Sr. No.	Particulars	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per section 135(5) of the Act	9.78
(ii)	Total amount spent for the Financial Year	9.84*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.06

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

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in crore)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any.			Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
1.	2020-21	2.67	1.22	1.22	N.A.	N.A.	N.A.	0.00	N.A.
2.	2021-22	5.40	0.99	0.94*	N.A.	N.A.	N.A.	0.05**	N.A.
3.	2022-23	5.35	5.35	5.27	N.A.	N.A.	N.A.	0.08	N.A.

(*) Excludes ₹ 0.0225 crore of unutilised amount which was refunded by implementing agency on 6th April, 2024 which will be disbursed to it in FY 2024-25.

(**) Includes ₹ 0.0225 crore of unutilised amount which was refunded by implementing agency on 6th April, 2024.

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

Yes (✓) No (-)

If Yes, enter the number of capital assets created / acquired: 9

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

A. CAPITAL ASSETS CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY PROJECTS OF FY 2023-24:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Mobile Phones	400093	7 th August, 2023	57,500	CSR00002321	Anushkaa Foundation for Eliminating Clubfoot	A-401, Business Square, Solitaire Corporate Park, Chakala, Andheri (East), Mumbai – 400 093.
2.	Computers, Laptops, Furniture Fixtures, CCTV Cameras and Printer	226024, 410221, 509216, 414005, 753011, 452001, 416003, 492015, 445402 and 226024.	14 th August, 2023, 7 th September, 2023, 26 th October, 2023, 29 th November, 2023, 21 st December, 2023, 7 th February, 2024, 10 th March, 2024, 28 th March, 2024 and 30 th March, 2024.	6,60,930	CSR00000258	Pratham Education Foundation	4 th floor, YB Chavan Centre, Nariman Point, Mumbai – 400 021.
3.	Defibrillator, Syringe Pumps, ECG Machine, USG Machine, Endoscopy Equipments, Humidifiers and Bed-Side monitors, etc.	281121	23 rd March, 2024, 26 th March, 2024 and 29 th March, 2024.	1,60,00,000	CSR00006101	RamKrishna Mission	Belur Math, Howrah, West Bengal.

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
4.	Printer, Laptop and peripherals	400072	22 nd March, 2024 and 29 th March, 2024.	1,23,455	CSR00002719	Foundation for Mother Child Health (FMCH)	Building No. 4, Andheri - Kurla Rd, Subhash Nagar, Jarimari, Andheri East, Mumbai-400 072.
5.	Musical Instruments - Guitar, Keyboard, Harmonica, Capet, Flooring, Speakers etc.	560102	26 th March, 2024, 27 th March, 2024 and 29 th March, 2024.	3,62,552	CSR00000063	Samarthanam Trust for the Disabled	CA:39, 15 th cross, 16 th main, Sec:4, HSR Layout, Bengaluru.
6.	School Busses, Desktop, Printer, laptop	641041	20 th February, 2024, 26 th March, 2024, 27 th March, 2024 and 28 th March 28, 2024.	1,06,20,001	CSR00008084	Central Chinmaya Mission Trust	Sandeepany Sandhaylay, Saki Vihar Road, Powai, Mumbai-400 072.

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

B. CAPITAL ASSETS CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY PROJECTS OF FY 2022-23:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Laptops Tablets, Emergency Maternity Mobile Referral Prog.	400602	08 th June, 2023, 17 th January, 2024 and 21 st March, 2024.	5,50,694	CSR00002137	SNEHA (Society for Nutrition, Education & Health Action)	310, 3 rd floor, Urban Health Centre 60 Feet Road, Dharavi, Mumbai 400017

C. CAPITAL ASSETS CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY PROJECTS OF FY 2021-22:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Refurbishment & Construction related costs (Compost Filtering Macheine, Iron Pits, Bricks, Egate Projector) etc.	305814	04 th April, 2023, 12 th August, 2023, 12 th September, 2023, 4 th October, 2023, 12 th October, 2023 and 24 th December, 2023.	40,970	CSR00003410	Social Work And Research Centre - Barefoot College	Tilonia, District Ajmer 305816, Rajasthan, India


D. CAPITAL ASSETS CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY PROJECTS OF FY 2020-21:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Laptop	400088	26 th May, 2023, 19 th July, 2023, 12 th December, 2023, 11 th January, 2024, 16 th February, 2024 and 28 th March, 2024.	79,48,562	CSR00002137	Kotak Education Foundation (Project Excel)*	Ujagar Compound, opposite Deonar bus depot, off Sion - Trombay Road, MBPT Colony, Deonar, Chembur, Mumbai - 88

* The capital asset is procured for Project Excel which is collaborative CSR Project of Kotak Group companies and ₹ 0.79 lakh was allocated to the Company.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act. – Not Applicable

Nilesh Shah

Managing Director

(DIN: 01711720)

Sanjiv Malhotra

Chairman of the CSR Committee

(DIN: 03435955)

Independent Auditor's Report

To the Members of
Kotak Mahindra Asset Management Company Limited

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of Kotak Mahindra Asset Management Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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.

OTHER INFORMATION

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon.

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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records of the Company except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules") relating to the availability of audit trail feature in the manner in which books of account are required to be kept in electronic mode as per Rule 3(1) of Companies (Accounts) Rules, 2014.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27 and 43 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 42 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software except for two of the accounting software where audit trail has not been enabled at the database level to log any direct data changes. Also, for one of its accounting software, the Company has used cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the period April 01, 2023 to March 31, 2024, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Further for accounting software other than the aforesaid databases, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. (Refer Note 44 to the standalone financial statements)
13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

Alpa Kedia

Partner

Membership Number: 100681

UDIN: 24100681BKFGCU2525

Mumbai
April 29, 2024



Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Kotak Mahindra Asset Management Company Limited on the standalone financial statements for the year ended March 31, 2024

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of Kotak Mahindra Asset Management Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both 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 standalone financial statements was 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 system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

Alpa Kedia

Partner

Membership Number: 100681

UDIN: 24100681BKFGCU2525

Mumbai

April 29, 2024



Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Kotak Mahindra Asset Management Company Limited on the standalone financial statements as of and for the year ended March 31, 2024

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) (Refer Note 42 to the standalone financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year (Refer Note 42 to the standalone financial statements). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder (Refer note 42 to the standalone financial statements), and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) During the year, the Company has made investments in 34 Mutual Fund schemes and 1 Alternative Investment Fund and granted unsecured loans to 25 other parties (employee loans) (Refer Note 4 and 5 to the standalone financial statements). During the year, the Company has not granted secured/ unsecured advances in nature of loans or any secured loan to companies / firms / Limited Liability Partnerships/ other parties, or stood guaratee, or provided security to companies / firms / Limited Liability Partnerships/ other parties. The Company does not have any joint venture.

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to unsecured loans to parties other than associate are as per the table given below:

Particulars	Unsecured Loans
Aggregate amount granted during the year - Other Parties	₹ 70.83 Lakh
Balance outstanding as a balance sheet date in respect of the above case - Other Parties	₹ 32.82 Lakh

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- (f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. During the year, there were no loans granted to promoters/ related parties under Section 2(76) respectively of the Act.

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Refer Note 42 to the standalone financial statements).
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Refer Note 42 to the standalone financial statements).
(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, the Company has not raised funds on short term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiary or joint venture.
(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate. The Company does not have any subsidiary or joint venture.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.



- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.
- xix. The financial ratios prescribed under Division III of Schedule III of the Act are not applicable to the Company. (Refer Note 42 to the standalone financial statements). Further, according to the information and explanations given to us and on the basis of ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 28 to the standalone financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

Alpa Kedia

Partner

Membership Number: 100681

UDIN: 24100681BKFGCU2525

Mumbai
April 29, 2024

Balance Sheet

as at 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	2(a)	17.55	191.55
Bank balance other than cash and cash equivalents above	2(b)	10.73	220.05
Receivables			
(I) Trade receivables	3	6,701.56	4,199.89
(II) Other receivables	3	39.91	37.83
Loans	4	32.82	35.47
Investments	5	237,031.46	187,335.21
Other Financial assets	6	132.07	130.86
Sub total		243,966.10	192,150.86
Non-financial assets			
Current Tax assets (Net)	38 (d)	816.70	200.48
Deferred Tax assets (Net)	38 (e)	1,179.67	1,483.36
Property, Plant and Equipment	7	1,218.75	1,101.05
Intangible assets	8	416.24	632.17
Right of use asset	37	2,379.41	1,749.54
Intangible assets under development	9	142.14	49.18
Other Non-financial assets	10	693.26	644.27
Sub total		6,846.17	5,860.05
Total Assets		250,812.27	198,010.91
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	2,338.92	2,452.25
Lease liabilities	37	2,706.77	2,079.98
Other Financial liabilities	12	10,917.89	10,625.25
Sub total		15,963.58	15,157.48
Non-Financial liabilities			
Current tax liabilities (Net)	38 (d)	322.08	347.42
Provisions	13	1,663.96	1,790.16
Deferred tax liabilities (Net)	38 (e)	4,514.76	1,136.33
Other non-financial liabilities	14	3,106.56	2,291.74
Sub total		9,607.36	5,565.65
EQUITY			
Equity Share Capital	15	2,980.00	2,980.00
Other equity	16	222,261.33	174,307.78
Sub total		225,241.33	177,287.78
Total Liabilities and Equity		250,812.27	198,010.91

The accounting policies and accompanying notes are an integral part of these standalone financial statements.

This is the Balance sheet referred to in our report of even date

**For and on behalf of the Board of Directors of
Kotak Mahindra Asset Management Company Limited**

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Chartered Accountants

Alpa Kedia

Partner

Membership No.:100681

29th April, 2024

Place: Mumbai

Nilesh Shah

Managing Director

DIN : 01711720

Krishnan Ramchandran

Chief Financial Officer

Membership No.46586

29th April, 2024

Place: Mumbai

Gaurang Shah

Director

DIN : 00016660

Darshana Tanna

Company Secretary

Membership No.26002



Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
REVENUE FROM OPERATIONS			
(i) Interest income	17	4.20	8.41
(ii) Fees income	18	92,636.57	80,321.43
(iii) Net gain on fair value changes	19	21,606.03	8,717.26
(I) Total revenue from operations		114,246.80	89,047.10
(II) Other income	20	36.20	47.67
(III) Total income (I + II)		114,283.00	89,094.77
EXPENSES			
(i) Finance costs	21	166.32	148.46
(ii) Impairment on financial instruments	22	(4.45)	(1.20)
(iii) Employee Benefits expenses	23	18,223.17	17,099.40
(iv) Depreciation, amortisation and impairment	24	1,455.78	1,279.81
(v) Other expenses	25	17,410.62	15,299.56
(IV) Total expenses		37,251.44	33,826.03
(V) Profit before tax (III - IV)		77,031.56	55,268.74
(VI) Tax expense			
(1) Current tax		14,281.60	13,280.94
(2) Current tax pertaining to prior periods		27.17	123.63
(3) Deferred tax		3,664.37	(1,245.66)
Total tax expense (1+2+3)		17,973.14	12,158.91
(VII) Profit for the year (V-VI)		59,058.42	43,109.83
(VIII) Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		70.57	(33.61)
- Income tax relating to items that will not be reclassified to profit or loss		(17.76)	8.46
Other comprehensive income		52.81	(25.15)
(IX) Total Comprehensive Income for the year (VII+VIII)		59,111.23	43,084.68
(X) Earnings per share (Nominal value of ₹ 10 per share (31st March, 2023: ₹ 10 per share))			
Basic and Diluted (₹)	26	198.18	144.66

The accounting policies and accompanying notes are an integral part of these standalone financial statements

This is the Statement of Profit and loss referred to in our report of even date **For and on behalf of the Board of Directors of Kotak Mahindra Asset Management Company Limited**

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Alpa Kedia
Partner
Membership No.:100681

29th April, 2024
Place: Mumbai

Nilesh Shah
Managing Director
DIN : 01711720

Krishnan Ramchandran
Chief Financial Officer
Membership No.46586

29th April, 2024
Place: Mumbai

Gaurang Shah
Director
DIN : 00016660

Darshana Tanna
Company Secretary
Membership No.26002

Statement of Cash Flows

for the year ended 31st March 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	77,031.56	55,268.74
Add / (Less) Adjustments for:		
Depreciation, amortization and impairment	1,455.78	1,279.81
Net (gain)/loss on derecognition of property, plant and equipment	(35.47)	(46.73)
Remeasurements of the defined benefit plans	70.57	(33.61)
Interest on lease liability	157.84	140.91
Interest income on security deposits	(1.81)	(5.78)
Interest on Income tax refund	(0.73)	-
Interest Expenses on income tax	4.37	2.53
Fair valuation of ESOP / SARS	17.49	298.04
Realised Net (gain)/loss on financial instruments at fair value through profit or loss	(1,507.87)	(13,748.52)
Unrealised Net (gain)/loss on financial instruments at fair value through profit or loss	(20,098.16)	5,031.26
Impairment on financial instruments	(4.45)	(1.20)
Amortisation of prepaid rent	(13.75)	1.73
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	57,075.37	48,187.18
Movements in working capital :		
Increase/ (decrease) in trade payables	(113.33)	(275.30)
Increase / (decrease) in provisions	(126.36)	69.52
Increase / (decrease) in other financial liabilities	292.64	871.59
Increase / (decrease) in other non-financial liabilities	814.82	(69.10)
Decrease / (increase) in bank balance other than cash and cash equivalents	209.37	(9.56)
Decrease / (increase) in trade receivables	(2,498.31)	801.50
Decrease / (increase) in other receivables	(2.08)	(5.05)
Decrease / (increase) in loans	3.51	(8.60)
Decrease / (increase) in other non financial assets	(53.27)	(198.13)
Decrease / (increase) in other financial assets	(2.82)	(16.45)
	(1,475.83)	1,160.42
CASH GENERATED FROM OPERATIONS	55,599.54	49,347.60
Payment of Taxes (Net of refund)	(14,954.00)	(13,320.87)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	40,645.54	36,026.73
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipments	(1,046.45)	(1,152.74)
Proceeds from Sale of Property, plant and equipments	55.30	52.33
Proceeds from Sale of Investment	112,855.00	179,333.35
Purchase of Investments	(140,945.22)	(206,399.91)
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES (B)	(29,081.37)	(28,166.97)



Statement of Cash Flows

for the year ended 31st March 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(11,175.00)	(7,450.00)
Lease Liabilities:		
Interest	(157.84)	(140.91)
Principal	(405.38)	(335.94)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES (C)	(11,738.22)	(7,926.85)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(174.05)	(67.09)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	191.60	258.69
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	17.55	191.60
CASH & CASH EQUIVALENTS BEFORE IMPAIRMENT PROVISION	17.55	191.60
IMPAIRMENT LOSS ALLOWANCES	-	(0.05)
CASH & CASH EQUIVALENTS AS PER STANDALONE BALANCE SHEET	17.55	191.55

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

The Company has liabilities arising only from leases accounted under Ind AS 116 at present value of lease payments and corresponding addition of right-of-use-assets. (Refer Note 37)

This is the Statement of Cash Flows referred to in our report of even date

**For and on behalf of the Board of Directors of
Kotak Mahindra Asset Management Company Limited**

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Nilesh Shah
Managing Director
DIN : 01711720

Gaurang Shah
Director
DIN : 00016660

Alpa Kedia
Partner
Membership No.:100681

Krishnan Ramchandran
Chief Financial Officer
Membership No.46586

Darshana Tanna
Company Secretary
Membership No.26002

29th April, 2024
Place: Mumbai

29th April, 2024
Place: Mumbai

Statement of Changes in Equity

for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the period
Equity shares of ₹ 10 each fully paid up			
31 st March, 2023	2,980.00	-	2,980.00
31 st March, 2024	2,980.00	-	2,980.00

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus				Total
	Capital redemption reserve	Capital Contribution by parent	General Reserve	Retained earnings	
Opening balance as on 1st April, 2022	1,270.00	2,777.03	1,221.68	133,111.25	138,379.96
Profit for the year	-	-	-	43,109.83	43,109.83
Share Based Payments to employees	-	293.14	-	-	293.14
Share Based Payment to employees transferred to General Reserve due to options lapsed	-	(18.30)	18.30	-	-
Remeasurments of defined benefit plans	-	-	-	(25.15)	(25.15)
Dividend paid	-	-	-	(7,450.00)	(7,450.00)
Changes during the year	-	274.84	18.30	35,634.68	35,927.82
Closing balance as at 31st March, 2023	1,270.00	3,051.87	1,239.98	168,745.93	174,307.78
Profit for the year	-	-	-	59,058.42	59,058.42
Share Based Payments to employees	-	17.32	-	-	17.32
Share Based Payment to employees transferred to General Reserve due to options lapsed	-	(9.36)	9.36	-	-
Remeasurments of defined benefit plans	-	-	-	52.81	52.81
Dividend paid	-	-	-	(11,175.00)	(11,175.00)
Changes during the year	-	7.96	9.36	47,936.23	47,953.55
Closing balance as at 31st March, 2024	1,270.00	3,059.83	1,249.34	216,682.16	222,261.33

This is the Statement of changes in equity referred to in our report of even date

For and on behalf of the Board of Directors of
Kotak Mahindra Asset Management Company Limited

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Alpa Kedia
Partner
Membership No.:100681

Nilesh Shah
Managing Director
DIN : 01711720

Gaurang Shah
Director
DIN : 00016660

Krishnan Ramchandran
Chief Financial Officer
Membership No.46586

Darshana Tanna
Company Secretary
Membership No.26002

29th April, 2024
Place: Mumbai

29th April, 2024
Place: Mumbai



Schedules

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

1.1 CORPORATE INFORMATION

Kotak Mahindra Asset Management Company Limited ('the Company') is a Company domiciled in India and incorporated on 2nd August, 1994 with its registered office situated at 27 BKC C-27, G Block, Bandra-Kurla Complex, Bandra East, Mumbai. The Company carries on the business of providing management and administrative services to the Kotak Mahindra Mutual Fund, under the SEBI (Mutual Fund) Regulations, 1996 and to deploy the funds raised by the Kotak Mahindra Mutual Fund under its various Schemes. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services. Further, the Company acts as an Investment Manager to Kotak Asset Management Company AIF-III, a trust registered with SEBI as a Category III Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012.

1.2 A. BASIS OF PREPARATION

a) Statement of compliance

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

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

b) Basis of measurement

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

- Certain financial assets and liabilities - measured at fair value.
- Defined benefit plans - plan assets are measured at fair value.
- Share-based payments.

B. FUNCTIONAL AND PRESENTATION CURRENCY

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

C. USE OF CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Standalone Balance Sheet and the Standalone Statement of Profit and Loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgment, estimates and assumptions are required in particular for:

I. Revenue

Identifying performance obligation in the contract:

The Company provides asset management services, portfolio management services, portfolio advisory services and alternative investment funds services. The Company has determined that all the above services are capable of being distinct because the Company can provide those services on stand-alone basis and customer can benefit from those services on its own.

Recognition of revenue over time or at a point in time:

The Company recognizes revenue from all the services over time because the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

II. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation include discount rate, trends in salary escalation, demographics and life expectancy. The discount

Schedules

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

rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 30.

IV. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unabsorbed depreciation and unabsorbed of business losses. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

V. Recognition and measurement of provisions and contingencies

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

VI. Discounting of long-term financial assets/liabilities

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

VII. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Company initially measures the cost of cash-settled transactions with employees using a Black-Scholes valuation model. Key assumptions include expected volatility, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the Standalone Statement of Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 31.

VIII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Standalone Balance Sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer Note 32.

IX. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments classified as FVOCI. At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios.

X. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing



Schedules

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

of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

XI. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

XI. a. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

XII. Interest in other entities

The Company acts as the fund manager for several investment vehicles, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision-making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering voting rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.

D. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Ministry of Corporate Affairs vide notification dated 31st March, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1st April, 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.3 MATERIAL ACCOUNTING POLICIES

A. REVENUE RECOGNITION

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customer is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Nature of services - Asset Management Services

Investment management fees which are accounted for on an accrual basis are recognized net of Goods and service tax on rendering services and are dependent on the net asset value and expenses as recorded by the schemes of the funds.

Portfolio management fees and other advisory services fees

Fees from Portfolio Management Services are recognized net of Goods and service tax on an accrual basis in accordance with the terms of agreement between the Company and the respective clients.

Schedules

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

Fees from rendering investment management services to Alternate Investment Fund Services (Category III)

Fees from Investment management services are recognized net of Goods and service tax on an accrual basis as a percentage of the net assets of the AIF schemes, in accordance with the Private Placement Memorandum (PPM) and Contribution Agreement (CA) signed by the contributors.

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Profit / loss on sale of investments

Purchase and sale of investments are recorded on trade date. The profit / loss on sale of investments is recognized in the Standalone Statement of Profit and Loss on the trade date, using the weighted average cost method.

Interest income

Interest income on financial assets is recognized on an accrual basis using the effective interest method.

B. INCOME TAX

Income tax expense comprises current and deferred tax. It is recognized in the Standalone Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (OCI).

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognized amounts, and it intends to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

C. EMPLOYEE BENEFITS

1. Post-employment obligations

Defined Contribution Plan

Provident Fund/Employee State Insurance Scheme

The Company's contribution to government provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no further obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.



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Superannuation Fund

The Company contributes a sum equivalent to 15% of eligible employee's salary subject to a maximum of ₹1 Lakh per annum per employee to a Superannuation Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited. The Company recognizes such contributions as an expense in the year they are incurred.

New Pension Scheme

The Company contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by PFRDA appointed pension fund manager. The Company recognizes such contributions as an expense in the year they are incurred.

Defined Benefit Plan

Gratuity

The Company has a defined benefit plan for post-employment benefits in the form of gratuity. The Company has formed a Trust "Kotak Mahindra Asset Management Company Ltd Employees Gratuity Fund" which has taken group gratuity policy with an insurance Company which is funded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The net present value of the Company's obligation towards the same is actuarially determined based on the Projected Unit Credit method as at the Standalone Balance Sheet date. Remeasurement of all defined benefit plans, which comprise actuarial gains and losses and the effect of asset ceiling, if applicable are recognized immediately in other comprehensive income in the year they are incurred.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in Standalone Statement of Profit and Loss.

2 Other employee benefits

Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employees performs the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the avallment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the Projected Unit Credit method.

The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Standalone Statement of Profit and Loss.

Long Term Incentive Plan

Certain employees are eligible for long term incentives plans basis various parameters linked to the performance of the Company from time to time which will be payable in a staggered manner. The obligation is measured as at the Standalone Balance Sheet date based on actuarial valuation calculated using the Projected Unit Credit method.

Long Service Award

The employees of the Company are eligible for a long service award after completion of a specified number of years of service with the Company. The obligation is measured at the Standalone Balance Sheet date as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation calculated by the fellow subsidiary of the Company using the Projected Unit Credit method.

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Deferred Incentive Plan

Certain employees are eligible for deferred incentives at a fixed amount as approved by the Company from time to time payable in a staggered manner. The obligation is measured as at the Standalone Balance Sheet date on an accrual basis.

3. Short-term obligations

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentives.

4. Share based payments

Employees Stock Options Plans ("ESOPs") - Equity settled

Kotak Mahindra Bank Limited, the ultimate holding Company of the Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including whole-time directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognized on a straight-line basis in the Standalone Statement of Profit or Loss, together with a corresponding increase in reserves, representing contribution received from the ultimate holding Company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The charge or credit to the Standalone Statement of Profit or Loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Stock Appreciation Rights ("SARs") - Cash Settled

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognized in the Standalone Statement of Profit and Loss under the head Employee Benefit Expense.

D. SCHEME EXPENSES

New fund offer expenses, and other expenses not chargeable to schemes, in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India (AMFI), are borne by the Company and are part of Business promotion, distribution and mutual fund expenses in Standalone Statement of Profit and Loss account.

E. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and Initial measurement

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through the Standalone Statement of Profit or Loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Subsequent measurement

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



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Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Standalone Statement of Profit and Loss. The losses, if any, arising from impairment are recognized in the Standalone Statement of Profit and Loss.

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

A financial asset is measured at FVOCI if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at fair value. Interest income is recognized using the effective interest (EIR) method. The impairment losses, if any, are recognized through Standalone Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Standalone Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for classification as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Equity instruments at FVOCI

The Company subsequently measures all equity investments at FVTPL, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the Standalone Statement of Profit and Loss. Dividends are recognized in the Standalone Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

i. Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Initial recognition and measurement –

All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at FVTPL. Liabilities which are classified at FVTPL, including derivatives that are liabilities, shall be subsequently measured at fair value.

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F. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as financial liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

G. Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

H. Measurement of fair values

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in unquoted equity instruments, mutual fund, etc.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

I. Investments in subsidiaries, associates and joint venture

The investments in subsidiaries, associates and joint ventures are measured at historical 'cost' less impairment.

J. Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets), the difference between the carrying amount (measured at the date of derecognition) allocated to financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the Standalone Statement of Profit and Loss.

Financial liabilities –

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



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K. TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.4 OTHER ACCOUNTING POLICIES

A. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Standalone Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets. As disclosed in table below, based on technical evaluation done by management's expert, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013. Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets to be appropriate. Estimated useful lives of assets based on technical evaluation by the management are as follows:

Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Furniture and Fixtures	6 years
Vehicles	4 years
Office Equipment	5 years
Computers	3 years

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

B. INTANGIBLE ASSETS

i. Recognition and Measurement

Intangible assets are recognized when they are separately identifiable, under control of the Company, and from which future economic benefits are expected to flow to the entity. Intangible assets including computer software are measured at cost. Such other intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Standalone Statement of Profit and Loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Standalone Statement of Profit and Loss. Computer Software is being amortized over a period of 3 years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if required.

Derecognition Intangible assets are derecognized on disposal or when no future economic benefits are expected to arise from its continuous use, and the resultant gains or losses are recognized in the Standalone Statement of Profit and Loss.

ii. Amortization

The intangible assets are amortized over the estimated useful lives as given below:

Software (including development)	3 years
Asset Management Rights	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Asset management rights acquired are amortized over a period of 5 years from the date of acquisition of the schemes from which future economic benefits are expected to flow to the entity.

C. LEASES

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For short term leases and leases with low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Standalone Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.



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- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Non-lease component are recognized separately from lease component, unless non-lease component is not significant.

D. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated.

All foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss.

E. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the 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.

F. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying values of assets (including Right of Use Assets)/cash generating units at each Standalone Balance Sheet date are reviewed for impairment if any indication of impairment exists. If any such indication exists and the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount in the Standalone Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Standalone Statement of Profit and Loss to the extent the amount was previously charged to the Standalone Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

G. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation as a result of past events 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. These are reviewed at each Standalone balance sheet date and adjusted to reflect the current best estimates.

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Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

H. SEGMENT REPORTING

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

I. IMPAIRMENT OF FINANCIAL ASSETS

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortized cost and FVOCI, such as loans, trade receivables, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

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

ECL is probability weighted estimate of credit losses estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD').

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

J. OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

K. MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.



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Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different.

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

M. REFERRAL FEES

The referral fees relating to Portfolio Management Services and to Alternate Investment Fund (AIF) are charged to the Standalone Statement of Profit and Loss net of Goods and services tax on an accrual basis in the year in which it is incurred as per the terms of the contract with each distributor.

N. ROUNDING OF AMOUNTS

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest "Lakh" as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these standalone financial statements.

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2 (A) CASH AND CASH EQUIVALENTS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances with banks	17.55	191.60
Sub total	17.55	191.60
Less: Impairment loss allowance	-	(0.05)
Total	17.55	191.55

2 (B) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Earmarked balances with banks (Represents CSR unspent account)	10.73	220.10
Sub total	10.73	220.10
Less: Impairment loss allowance	-	(0.05)
Total	10.73	220.05

3 RECEIVABLES :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade receivables:		
Unsecured, considered good	6,701.56	4,203.25
Sub total	6,701.56	4,203.25
Less: Impairment loss allowance	-	(3.36)
Total	6,701.56	4,199.89

(Refer Note 41)

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Other receivables:		
Unsecured, considered good	39.91	37.83
Sub total	39.91	37.83
Less: Impairment loss allowance	-	-
Total	39.91	37.83



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4 LOANS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(A) (i) Employee Loans	32.82	36.32
Total Gross (A)	32.82	36.32
Less: Impairment loss allowance	-	(0.85)
Total Net (A)	32.82	35.47

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(B) (i) Unsecured	32.82	36.32
Total Gross (B)	32.82	36.32
Less: Impairment loss allowance	-	(0.85)
Total Net (B)	32.82	35.47

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	32.82	36.32
Total Gross (C) (I)	32.82	36.32
Less: Impairment loss allowance	-	(0.85)
Total Net (C) (I)	32.82	35.47
(II) Loans outside India	-	-
Less: Impairment allowance	-	-
Total Net (C) (II)	-	-
Total (C) (I) and (II)	32.82	35.47

Schedules

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

5 INVESTMENTS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At fair value through profit or loss		
Mutual funds	229,341.26	182,118.15
Equity instruments	1,298.89	1,257.56
Alternate Investments Funds	3,451.31	1,019.50
Others		
Associate	2,940.00	2,940.00
Total Gross (A)	237,031.46	187,335.21
(i) Investments outside India	-	-
(ii) Investments in India	237,031.46	187,335.21
Total (B)	237,031.46	187,335.21
Less: Impairment allowance	-	-
Total Net	237,031.46	187,335.21

6 OTHER FINANCIAL ASSETS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security Deposits	109.98	109.91
Other Deposits	22.09	21.09
Sub total	132.07	131.00
Less: Impairment loss allowance	-	(0.14)
Total	132.07	130.86

7 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Improvements to leasehold premises	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying amount as at 31st March, 2022	604.85	43.99	666.91	212.68	1,196.82	2,725.25
Additions during the year	91.27	11.06	152.09	40.75	279.54	574.71
Disposals during the year	(33.18)	(5.96)	(165.33)	(26.30)	(160.44)	(391.21)
Gross carrying amount as at 31st March, 2023	662.94	49.09	653.67	227.13	1,315.92	2,908.75
Accumulated depreciation as at 31st March, 2022	375.40	38.57	346.37	147.37	717.75	1,625.45
Depreciation for the year	83.90	10.90	156.77	33.25	283.03	567.85
Disposals during the year	(32.56)	(5.92)	(162.98)	(25.88)	(158.26)	(385.60)
Accumulated depreciation as at 31st March, 2023	426.74	43.55	340.15	154.74	842.52	1,807.70
Net carrying amount as at 31st March, 2023	236.20	5.54	313.52	72.39	473.40	1,101.05



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

Particulars	Improvements to leasehold premises	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying amount as at 31st March, 2023	662.94	49.09	653.67	227.13	1,315.92	2,908.75
Additions during the year	153.86	12.60	182.02	90.75	359.30	798.53
Disposals during the year	(8.34)	(3.92)	(144.52)	(19.52)	(92.04)	(268.34)
Gross carrying amount as at 31st March, 2024	808.46	57.77	691.17	298.36	1,583.18	3,438.94
Accumulated depreciation as at 31st March, 2023	426.74	43.55	340.15	154.74	842.52	1,807.70
Depreciation for the year	98.25	12.49	160.95	42.83	346.48	661.00
Disposals during the year	(8.34)	(3.92)	(127.11)	(19.06)	(90.08)	(248.51)
Accumulated depreciation as at 31st March, 2024	516.65	52.12	373.99	178.51	1,098.92	2,220.19
Net carrying amount as at 31st March, 2024	291.81	5.65	317.18	119.85	484.26	1,218.75

8 INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software	Asset Management Rights*	Total
Gross carrying amount as at 31st March, 2022	1,762.74	901.77	2,664.51
Additions during the year	596.45	-	596.45
Disposals during the year	-	-	-
Gross carrying amount as at 31st March, 2023	2,359.19	901.77	3,260.96
Accumulated amortisation as at 31st March, 2022	1,370.30	901.77	2,272.07
Amortisation for the year	356.72	-	356.72
Disposals during the year	-	-	-
Accumulated amortisation as at 31st March, 2023	1,727.02	901.77	2,628.79
Net carrying amount as at 31st March, 2023	632.17	-	632.17
Gross carrying amount as at 31st March, 2023	2,359.19	901.77	3,260.96
Additions during the year	159.24	-	159.24
Disposals during the year	(1,204.95)	-	(1,204.95)
Gross carrying amount as at 31st March, 2024	1,313.48	901.77	2,215.25
Accumulated amortisation as at 31st March, 2023	1,727.02	901.77	2,628.79
Amortisation for the year	375.17	-	375.17
Disposals during the year	(1,204.95)	-	(1,204.95)
Accumulated amortisation as at 31st March, 2024	897.24	901.77	1,799.01
Net carrying amount as at 31st March, 2024	416.24	-	416.24

* This contains Copyrights, patents, other intellectual property rights, services and operating rights.

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

INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE

As on 31st March, 2024

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	129.81	12.33	-	-	142.14
Projects temporarily suspended	-	-	-	-	-

As on 31st March, 2023

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.55	1.63	-	-	49.18
Projects temporarily suspended	-	-	-	-	-

9 INTANGIBLE ASSETS UNDER DEVELOPMENT :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Software under development	142.14	49.18
Total	142.14	49.18

10 OTHER NON FINANCIAL ASSETS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances recoverable in cash or in kind	422.57	387.69
Prepaid Expenses	270.69	256.58
Total	693.26	644.27



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

11 PAYABLES :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,338.92	2,452.25
Total	2,338.92	2,452.25
(Refer Note 36 and 40)		
There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.		

12 OTHER FINANCIAL LIABILITIES :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Employee Benefits Payable	8,641.96	7,700.45
Liability towards corporate social responsibility (Refer note 28)	105.93	754.80
Other payables	2,170.00	2,170.00
Total	10,917.89	10,625.25

13 PROVISIONS :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits	136.48	127.93
Provision for gratuity (Refer note 30)	-	108.97
Provision for stock appreciation rights (Refer note 31)	1,527.48	1,553.26
Total	1,663.96	1,790.16

14 OTHER NON-FINANCIAL LIABILITIES :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory dues payable	3,106.56	2,291.74
Total	3,106.56	2,291.74

Schedules

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

15 SHARE CAPITAL

(₹ in Lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Authorized		
3,00,00,000 (31 st March, 2023 : 3,00,00,000) equity shares of ₹10/- each	3,000.00	3,000.00
1,00,00,000 (31 st March, 2023 : 1,00,00,000) preference shares of ₹10/- each	1,000.00	1,000.00
Issued, subscribed and paid-up		
2,98,00,000 equity shares (31 st March, 2023 : 2,98,00,000) of ₹ 10/- each, fully paid up	2,980.00	2,980.00
	2,980.00	2,980.00

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

(₹ in Lakh)

Particulars	No. of shares	₹ in Lakh
Equity shares of ₹ 10 each, fully paid-up		
As at 1 st April, 2022	29,800,000	2,980
Add : Issued during the year	-	-
As at 31 st March, 2023	29,800,000	2,980
Add : Issued during the year	-	-
As at 31st March, 2024	29,800,000	2,980

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

Equity Shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held and right to receive dividend as may be approved by the Board / Annual General Meeting. The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

C. SHARES HELD BY HOLDING COMPANY

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (including nominees)	29,800,000	100	29,800,000	100
	29,800,000	100	29,800,000	100

D. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited (including nominees)	29,800,000	100	29,800,000	100
	29,800,000	100	29,800,000	100



Schedules

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

E. SHAREHOLDING OF PROMOTERS

Shares held by promoters at the end of the year 31st March, 2024

Particulars	Number of shares	% of total shares	% Change during the year
Kotak Mahindra Bank Limited (including nominees)	29,800,000	100%	Nil
Total	29,800,000	100%	

Shares held by promoters at the end of the year 31st March, 2023

Particulars	Number of shares	% of total shares	% Change during the year
Kotak Mahindra Bank Limited (including nominees)	29,800,000	100%	Nil
Total	29,800,000	100%	

F. DIVIDEND:

The Board of Directors recommended a final dividend of ₹ 37.50 per equity share for the financial year ended 31st March, 2024 (31st March, 2023, ₹ 37.50 per equity share). The payment is subject to approval of the shareholders in the ensuing Annual General Meeting of the company, and if approved would result in a cash outflow of ₹ 11,175.00 Lakh. (31st March, 2023, ₹ 11,175.00 Lakh) Dividends on equity shares are recorded as a liability on the date of approval by the shareholders.

16 OTHER EQUITY :

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Capital redemption reserve	1,270.00	1,270.00
Capital Contribution from parent	3,059.83	3,051.87
General Reserve	1,249.34	1,239.98
Retained earnings	216,682.16	168,745.93
Total	222,261.33	174,307.78

16.1 NATURE AND PURPOSE OF RESERVE

Capital redemption reserve

Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Capital redemption reserve is created on redemption of preference share capital.

Capital Contribution from parent

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

General reserve

The general reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained earnings

Retained earnings represents surplus/deficit of the Company and is available for distribution to the shareholders.

Schedules

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

16.2 OTHER EQUITY MOVEMENT

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Capital redemption reserve		
Opening balance	1,270.00	1,270.00
Addition during the year	-	-
Closing balance	1,270.00	1,270.00
Capital Contribution from parent		
Opening balance	3,051.87	2,777.03
Addition during the year (Net)	7.96	274.84
Closing balance	3,059.83	3,051.87
General Reserve		
Opening balance	1,239.98	1,221.68
Addition during the year	9.36	18.30
Closing balance	1,249.34	1,239.98
Retained earnings		
Opening balance	168,745.93	133,111.25
Profit for the year	59,058.42	43,109.83
Remeasurments of defined benefit plans	52.81	(25.15)
Dividend paid	(11,175.00)	(7,450.00)
Closing balance	3,059.83	168,745.93

REVENUE FROM OPERATIONS

17 INTEREST INCOME :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On Financial Assets measured at Amortised Cost		
Interest on Staff Loans	2.39	2.63
Other interest income	1.81	5.78
Total	4.20	8.41

18 FEES INCOME

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Management fees	88,515.40	76,369.07
Portfolio management fee and other advisory services fees	4,121.17	3,952.36
Total	92,636.57	80,321.43



Schedules

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

19 NET GAIN ON FAIR VALUE CHANGES :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on financial instruments at fair value through profit or loss		
-Investments	21,606.03	8,717.26
Total Net gain on fair value changes	21,606.03	8,717.26
Fair value changes:		
Realised	1,507.87	13,748.52
Unrealised	20,098.16	(5,031.26)
Total Net gain on fair value changes	21,606.03	8,717.26

20 OTHER INCOME :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on derecognition of property, plant and equipment	35.47	46.73
Interest on Income Tax Refund	0.73	-
Net gain on foreign currency transaction and translation	-	0.79
Other income	-	0.15
Total	36.20	47.67

EXPENSES

21 FINANCE COSTS :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest on lease liabilities (Refer note 37)	157.84	140.91
Other interest expense	8.48	7.55
	166.32	148.46

22 IMPAIRMENT ON FINANCIAL INSTRUMENTS :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On Financial instruments measured at Amortised Cost		
Loans	(0.85)	0.14
Trade Receivables	(3.36)	(1.33)
Bank Balances	(0.10)	(0.02)
Deposit	(0.14)	0.01
Total	(4.45)	(1.20)

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

23 EMPLOYEE BENEFITS EXPENSES :

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	16,063.76	14,364.05
Contribution to provident and other funds (Refer note 30)	556.04	492.18
Gratuity (Refer note 30)	131.94	115.49
Share Based Payments to employees (Refer note 31)	1,393.15	2,035.98
Staff welfare expenses	78.28	91.70
Total	18,223.17	17,099.40

24 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation of property, plant and equipment	661.00	567.85
Depreciation on Right of use asset (Refer note 37)	419.61	355.24
Amortisation of intangible assets	375.17	356.72
Total	1,455.78	1,279.81

25 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Rent, taxes and energy costs	1,238.83	1,016.19
Repairs and maintenance	87.17	66.96
Communication Costs	477.55	326.81
Computer related expenses	1,386.90	1,072.55
Travel and conveyance	600.41	382.12
Net loss on foreign currency transaction and translation	0.20	-
Printing and stationery	60.09	52.86
Business promotion, Distribution and Mutual Fund expenses	6,487.05	5,106.09
Referral fees for portfolio management services	1,475.18	1,433.97
Membership subscription	995.68	1,146.49
Reimbursement of common administrative cost	376.83	351.35
Outsourcing Costs	661.36	547.12
Directors fees, allowances and expenses	157.00	87.50
Auditor's fees and expenses	46.02	43.34
Legal and Professional charges	850.17	1,401.89
Royalty expenses	222.62	205.82



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

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Insurance	238.86	216.37
Contribution towards corporate social responsibility (Refer note 28)	984.15	888.00
Other expenditure	1,064.55	954.13
Total	17,410.62	15,299.56
Details of Auditors' fees and expenses		
(a) As Statutory auditors	41.00	41.00
(b) Other services	4.00	1.00
(c) Reimbursement of expenses	1.02	1.34
Total	46.02	43.34

26 EARNINGS PER SHARE

(₹ in Lakh)

Sr. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
A)	Net profit from continued operation attributable to equity holders	59,058.42	43,109.83
B)	Weighted average number of ordinary shares (Basic and Diluted)		
	Issued ordinary shares at 1 April (nos.)	29,800,000	29,800,000
	Weighted average number of shares at 31 March adjusted for the effect of dilution (nos.)	29,800,000	29,800,000
C)	Face value per share (INR)	10.00	10.00
D)	Basic and Diluted earnings per share (INR)	198.18	144.66

27 CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakh)

Sr. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
A)	Contingent Liabilities:		
	Income Tax matters	3.25	3.25
	Total	3.25	3.25
B)	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	458.66	113.62
	Total	458.66	113.62

28 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited, its holding Company. The Company aims to positively contribute towards economic, environmental and social well-being of communities through Its Corporate Social Responsibility agenda. CSR programs being undertaken are in the area of education, healthcare, livelihood, vocational skill development, sports and other areas such as relief and rehabilitation and environmental sustainability, etc.

As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 978.05 Lakh (Previous year ₹ 885.86 Lakh) during the year on CSR activities.

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

Details of Corporate Social Responsibility expenditure

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Contribution to:		
Kotak Education Foundation	1.00	-
Pratham Education Foundation	150.00	183.50
Nayi Disha Resource Centre	60.00	32.50
Sanjivni Society For Mental Health	20.00	20.00
Parivaar Education Society	30.00	15.00
Central Chinmaya Mission Trust.	130.00	43.80
Foundation For Mother And Child Health	29.00	30.00
Indian Head Injury Foundation	8.00	5.00
Kotagiri Medical Fellowship Pharmacy	-	19.00
Sneha Society For Nutrition Education And Health Action	-	4.50
Anushkaa Foundation For Eliminating Clubfoot	233.00	-
Impact India Foundation	38.00	-
Ramakrishna Mission Sevashrama	160.00	-
Samarthanam Trust For The Disabled	15.00	-
Admin charges	14.95	-
Accrual towards unspent obligations in relation to:	-	-
Ongoing project	95.20	534.70
Other than ongoing project	-	-
Total	984.15	888.00
Amount required to be spent as per Section 135 of the Act	978.05	885.86
Amount of cumulative shortfall at the end of the year	105.93	754.80
Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	888.95	353.30

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

(₹ in Lakh)

Balance as at 1 st April, 2023	In Separate CSR Unspent account	Amount approved by the Board to be spent during the year	Amount spent during the year		Balance as at 31 st March, 2024	
			From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
Nil	752.66	984.15	888.95	741.93	95.20	10.73



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(₹ in Lakh)

Balance as at 1 st April, 2022	In Separate CSR Unspent account	Amount approved by the Board to be spent during the year	Amount spent during the year		Balance as at 31 st March, 2023	
			From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
With the Company						
Nil	750.36	885.86	353.30	530.26	532.56	220.10

Subsequent to year end the Company has transferred the funds to separate CSR unspent account within 30 days.

Details of excess amount spent:

(₹ in Lakh)

Excess amount spent			
Balance as at 1 st April, 2023	Amount required to be spent during the year	Amount spent during the year	Balance as at 31 st March, 2024
-	978.05	984.15	6.10

(₹ in Lakh)

Excess amount spent			
Balance as at 1 st April, 2023	Amount required to be spent during the year	Amount spent during the year	Balance as at 31 st March, 2023
-	885.86	885.86	-

(₹ in Lakh)

Particulars	31 st March, 2024	31 st March, 2023
Amount required to be spent by the company during the year	984.15	885.86
Amount of expenditure incurred	888.95	353.30
Shortfall at the end of the year	95.20	532.56
Total of previous years shortfall	10.73	220.10
Nature of CSR activities		
Education & Livelihood	394.20	391.00
Healthcare	575.00	497.00
Admin Charges	14.95	-
Total	984.15	888.00

Reason for shortfall :

The shortfall in the ongoing projects related to Education & Livelihood and Healthcare is attributed to activities currently in progress. These are anticipated to be completed within the stipulated timeframe.

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

29 RELATED PARTY DISCLOSURES

A. NAMES OF RELATED PARTIES

(₹ in Lakh)

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	Holding Company :		
	Kotak Mahindra Bank Limited	India	
	(Mr. Uday S. Kotak, Promoter along with the persons / entities forming part of the Promoter Group, holds 25.90% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2024.)		
2	Fellow subsidiaries with whom transactions have taken place during the year:		
	Kotak Mahindra Trustee Company Limited	India	
	Kotak Securities Limited	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Mahindra Life Insurance Company Limited	India	
	Kotak Mahindra General Insurance Company Limited	India	
	Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	India	
	Kotak Mahindra International Limited	Mauritius	
	Kotak Mahindra Asset Management (Singapore) PTE. Limited	Singapore	
3	Associates with whom transactions have taken place during the year:		
	Kotak Mahindra Pension Fund Limited	India	49%
4	Enterprises over which Mr. Uday S Kotak along with its relatives have significant influence		
	Aero Agencies Private Limited	India	
5	Post Employment Benefits Plan		
	Kotak Mahindra Asset Management Company Limited Employees Gratuity Fund	India	
6	Key Management Personnel		
	Managing Director		
	Nilesh Shah		
7	Non-Executive Directors with whom transactions have taken place during the year:		
	Anjali Bansal - Independent Director (upto 5 th June, 2023)		
	Anjali Raina – Independent Director (from 10 th July, 2023)		
	C Jayaram - Non Independent - Non Executive Director		
	Gaurang Shah - Non Independent - Non Executive Director		
	Krishnakumar Natarajan - Independent Director		
	Nalin M. Shah - Independent Director (upto 19 th January , 2023)		
	Laxminarayan Rangarajan - Independent Director (from 13 th April, 2023)		
	Sanjiv Malhotra - Independent Director		
	Uday Kotak - Non Independent - Non Executive Director		



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B. TRANSACTIONS WITH RELATED PARTY

i. Key Management Personnel compensation

(₹ in Lakh)

Sr. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Managing Director*			
i.	Short-term employee benefits	1,051.02	761.62
ii.	Other contribution to fund	16.32	14.88
iii.	Share-based payments	513.83	416.08
Directors			
i.	Sitting Fees	67.00	37.50
ii.	Commission	90.00	50.00

Note: * The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave encashment and incentives which are provided for group of employees on an overall basis. The Deferred Cash, ESOPs and SARs are considered on payment basis.

ii. Transaction with other related party

(₹ in Lakh)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Enterprises over which Director / relatives / Key Management Personnel have significant influence	Kotak Mahindra Pension Fund Limited - Associate
Balance Outstanding at the year end				
Cash and cash equivalents	15.35	-	-	-
	(189.44)	-	-	-
Bank balance other than cash and cash equivalents above	10.73	-	-	-
	(220.05)	-	-	-
Trade Receivables				
Kotak Mahindra International Limited	-	-	-	-
	-	(35.00)	-	-
Other Receivables				
	0.68	-	-	-
	(0.64)	-	-	-
Kotak Mahindra Life Insurance Company Limited	-	7.37	-	-
	-	-	-	-
Equity Investments as at year end				
Investments of Equity Shares - Kotak Mahindra Pension Fund Limited	-	-	-	2,940.00
	-	-	-	(2,940.00)
Prepaid Expenses				
Kotak Mahindra Life Insurance Company Limited	-	20.29	-	-
	-	(24.35)	-	-

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(₹ in Lakh)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Enterprises over which Director / relatives / Key Management Personnel have significant influence	Kotak Mahindra Pension Fund Limited - Associate
Kotak Mahindra General Insurance Company Limited	-	5.22	-	-
	-	(2.55)	-	-
Trade Payables	582.83	-	-	-
	(363.44)	-	-	-
Kotak Securities Limited	-	14.32	-	-
	-	(14.41)	-	-
Kotak Mahindra Prime Limited	-	0.25	-	-
	-	(0.76)	-	-
Kotak Mahindra Life Insurance Company Limited	-	12.98	-	-
	-	-	-	-
Equity Share Capital	2,980.00	-	-	-
	(2,980.00)	-	-	-
Equity Dividend Paid	11,175.00	-	-	-
	(7,450.00)	-	-	-
Revenue From Operations				
Portfolio advisory services				
Kotak Mahindra (International) Limited	-	285.00	-	-
	-	(420.00)	-	-
Kotak Mahindra Asset Management (Singapore) PTE. Limited	-	440.00	-	-
	-	(525.00)	-	-
Finance Cost				
Other Interest Expenses (Bank charges)	1.00	-	-	-
	(4.95)	-	-	-
Recovery of employee expenses				
Kotak Mahindra Trustee Company Limited	-	162.31	-	-
	-	(134.35)	-	-
Other Expenses				
Rent expenses	950.33	-	-	-
	(821.61)	-	-	-
Kotak Mahindra Prime Limited	-	2.81	-	-
	-	(2.81)	-	-
Computer related expenses				
Kotak Securities Limited	-	6.00	-	-
	-	(6.85)	-	-
Travel and conveyance	-	-	-	-
	-	-	(4.29)	-
Referral Fees	716.34	-	-	-
	(609.56)	-	-	-
Kotak Securities Limited	-	48.77	-	-



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(₹ in Lakh)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Enterprises over which Director / relatives / Key Management Personnel have significant influence	Kotak Mahindra Pension Fund Limited - Associate
	-	(58.26)	-	-
Reimbursement of Common administrative cost	380.82	-	-	-
	(349.99)	-	-	-
Kotak Mahindra Life Insurance Company Limited	-	-	-	-
	-	(6.08)	-	-
Recovery of Common administrative cost				
Kotak Mahindra Trustee Company Limited	-	3.99	-	-
	-	(4.72)	-	-
Royalty Expenses	222.62	-	-	-
	(205.82)	-	-	-
Insurance expenses				
Kotak Mahindra General Insurance Company Limited	-	4.62	-	-
	-	(9.18)	-	-
Kotak Mahindra Life Insurance Company Limited	-	24.35	-	-
	-	(29.64)	-	-
Miscellaneous Receipts	3.71	-	-	32.70
	(6.84)	-	-	(6.61)
Kotak Mahindra Life Insurance Company Limited	-	7.37	-	-
	-	(0.58)	-	-
Kotak Mahindra Trustee Company Limited	-	8.95	-	-
	-	(6.45)	-	-
Miscellaneous Payments	672.18	-	-	-
	(835.02)	-	-	-
Kotak Securities Limited	-	-	-	-
	-	(9.00)	-	-
Kotak Mahindra Life Insurance Company Limited	-	12.86	-	-
	-	(0.21)	-	-
Kotak Mahindra Trustee Company Limited	-	0.81	-	-
	-	(0.31)	-	-
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	-	194.47	-	-
	-	(172.93)	-	-
Kotak Mahindra Asset Management Company Limited Employees Gratuity Fund (Kindly refer note 30 for details)				

Note: Previous year figures are in brackets

(C) TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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

30 EMPLOYEE BENEFITS

A. THE COMPANY CONTRIBUTES TO THE FOLLOWING POST-EMPLOYMENT DEFINED BENEFIT PLANS IN INDIA.

(i) Defined Contribution Plans:

- The Company makes Provident Fund contributions to Recognized Provident Fund and employee state insurance scheme for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹506.50 Lakh (Previous year ₹454.68 Lakh) in the Standalone Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme."
- The Company contributes a sum equivalent to 15% of basic subject to a maximum of ₹ 1 Lakh per annum per employee, of eligible employees' eligible salary to a Superannuation Fund administered by trustees and managed by a fellow subsidiary. The Company recognizes ₹1 Lakh (Previous year ₹1 Lakh) for such contributions as an expense in the year they are incurred. The Company has no obligation beyond its contribution to the Fund.
- The Company contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by PFRDA appointed pension fund manager. The Company recognized ₹ 48.13 Lakh (Previous year ₹36.19 Lakh) for such contributions as an expense in the year they are incurred.
- The Company contributes to labour welfare funds of eligible employees' salary per annum. The Company recognizes ₹0.41 Lakh (Previous year ₹0.31 Lakh) for such contributions as an expense in the year they are incurred.

(ii) Defined Benefit Plan:

Gratuity :-

The Company accounts for the liability for future gratuity benefits based on an independent actuarial valuation. The gratuity obligation is funded. The net present value of the Company's obligation towards the same is determined based on the Projected Unit Credit method as at the Balance Sheet date.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's standalone financial statements as at Balance Sheet date:

(₹ in Lakh)		
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Present value of Funded defined benefit obligation (A)	1,172.10	1,097.79
Fair value of plan assets (B)	(1,220.54)	(988.82)
Net (asset) / liability recognized in the Standalone Balance Sheet (Included in Note 10) (A-B)	(48.44)	108.97



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B. MOVEMENT IN NET DEFINED BENEFIT (ASSET) / LIABILITY

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) / liability and its components:-

(₹ in Lakh)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	1,097.79	1,070.61	988.82	1,061.85	108.97	8.76
Included in profit or loss						
Current service cost	132.99	121.28	-	-	132.99	121.28
Interest cost	71.13	65.35	72.18	71.14	(1.05)	(5.79)
	1,301.91	1,257.24	1,061.00	1,132.99	240.91	124.25
Included in OCI						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	27.76	-	-	-	27.76
Financial assumptions	8.60	(33.42)	-	-	8.60	(33.42)
Experience adjustment	36.75	(43.86)	-	-	36.75	(43.86)
Actual return on plan assets less interest on plan assets	-	-	115.92	(83.13)	(115.92)	83.13
	45.35	(49.52)	115.92	(83.13)	(70.57)	33.61
Other						
Contributions paid by the employer	-	-	211.06	14.85	(211.06)	(14.85)
Benefits paid	(167.44)	(75.89)	(167.44)	(75.89)	-	-
Liabilities assumed / (settled)*	(7.72)	(34.04)	-	-	(7.72)	(34.04)
Closing balance	1,172.10	1,097.79	1,220.54	988.82	(48.44)	108.97
Represented by						
Net defined benefit asset					48.44	
Net defined benefit liability					-	108.97
					48.44	108.97

* On account of inter group transfer

C. EXPENSES RECOGNIZED IN STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current service cost	132.99	121.28
Interest on net defined benefit liability / (asset)	(1.05)	(5.79)
	131.94	115.49

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D. REMEASUREMENTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Actuarial loss / (gain) arising from:		
Financial assumptions	8.60	(33.42)
Demographic assumptions	-	27.76
Experience adjustments	36.75	(43.86)
Actual return on plan assets less interest on plan assets	(115.92)	83.13
	(70.57)	33.61

E. DISAGGREGATION OF PLAN ASSETS

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:-

(₹ in Lakh)

	As at 31 st March, 2024		As at 31 st March, 2023	
	Quoted value	Non Quoted value	Quoted value	Non Quoted value
Insurer managed funds	-	1,220.54	-	988.82
	-	1,220.54	-	988.82

F. CATEGORY OF ASSETS

(₹ in Lakh)

	As at 31 st March, 2024		As at 31 st March, 2023	
	%	Non Quoted value	%	Non Quoted value
Insurer managed funds	100.00	1,220.54	100.00	988.82
	100.00	1,220.54	100.00	988.82

G. FUNDING ARRANGEMENTS AND POLICY:

Expected contribution:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

The expected contribution payable to the plan next year is ₹ 150.00 Lakh. (Previous year ₹ 246.80 Lakh)

Projected Plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

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(₹ in Lakh)

Maturity Profile	As at	
	31 st March, 2024	31 st March, 2023
Expected benefits for year 1	263.31	246.80
Expected benefits for year 2	228.27	192.50
Expected benefits for year 3	151.37	181.24
Expected benefits for year 4	153.70	117.99
Expected benefits for year 5	116.40	126.25
Expected benefits for year 6	97.09	96.33
Expected benefits for year 7	94.75	81.42
Expected benefits for year 8	79.98	79.04
Expected benefits for year 9	58.78	67.59
Expected benefits for year 10 years and above	550.72	511.08

The weighted average duration to the payment of these cash flows is 4.94 years (31st March, 2023: 4.95 years).

H. DEFINED BENEFIT OBLIGATIONS

i. Actuarial assumptions

The key actuarial assumptions adopted for the purposes of this valuation are given below:-

(₹ in Lakh)

	As at	
	31 st March, 2024	31 st March, 2023
Discount rate (p.a.)	7.15%	7.30%
Salary escalation rate (p.a.)	7.00%	7.00%
Employee turnover	(Rates p.a. and Years)	
	45% at 21-30	"45% at 21-30
	30% at 31-40	30% at 31-40
	15% at 41-50	15% at 41-50
	5% at 51-59	5% at 51-59
	"	"

ii. Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing this benefit is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(₹ in Lakh)

	As at 31 st March, 2024		As at 31 st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	(28.17)	29.59	(26.38)	27.71
Salary escalation rate (50 bps movement)	18.51	(18.22)	16.94	(16.94)

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These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

I. RISK EXPOSURE

The defined benefit plans expose the company to risk which are discussed below:

Asset Volatility - The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan asset investments are in Insurer managed funds.

Changes in bond yields - A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' fund holdings.

J. EXPERIENCE ADJUSTMENTS

(₹ in Lakh)

	Year ended 31 st March				
	2024	2023	2022	2021	2020
Present value of defined benefit obligation	1,172.10	1,097.79	1,070.61	919.00	783.87
Fair value of plan assets	1,220.54	988.82	1,061.85	932.29	715.87
Surplus / (Deficit)	48.44	(108.97)	(8.76)	13.29	(68.00)
Experience adjustments on plan liabilities	36.75	(43.86)	43.18	19.03	(1.03)
Experience adjustments on plan assets	115.92	(83.13)	77.11	74.02	13.34

K. ACCUMULATED COMPENSATED ABSENCES

The Company provides for accumulated compensated absences as at the Balance Sheet date on the basis of an actuarial valuation. The Company recognized ₹ 6.63 Lakh (recognized reversal for previous year : ₹ 245.81 Lakh) for Compensated Absences in the Standalone Statement of Profit and Loss.

L. LONG SERVICE AWARD

The Company provides for long service awards as at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of its fellow subsidiary. The Company recognized ₹ 12.96 Lakh (recognized reversal for previous year : ₹ 11.81 Lakh) for Long Service Award in the Standalone Statement of Profit and Loss.

M. LONG TERM DEFERRED INCENTIVE

The Company provides for long term deferred incentive to certain eligible employees at a fixed amount as approved by the Company from time to time which will be payable in a staggered manner. The obligation is measured as at the balance sheet date on an accrual basis in stage manner over the tenor of the payment. The Company recognized ₹ 452.83 Lakh (Previous year : ₹ 923.08 Lakh) for long term deferred incentive in the Standalone Statement of Profit and Loss.

N. LONG TERM INCENTIVE PLAN

The Company provides for long term incentive plans to certain eligible employees basis various parameters linked to the performance of the Company from time to time which will be payable in a staggered manner. The obligation is measured as at the balance sheet date based on actuarial valuation calculated using the projected unit credit method. The Company recognized ₹ 1,046.90 Lakh (Previous year : ₹ 1,622.56 Lakh) for Long term incentive plan in the Standalone Statement of Profit and Loss.



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The principal assumptions used in determining long term incentive plan are shown below:

(₹ in Lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
Discount rate	7.15% p.a.	7.20% p.a.
Increase in Incentive Amount	-	-

31 SHARE-BASED PAYMENT ARRANGEMENTS:

A. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

I. SHARE OPTION PLANS (EQUITY-SETTLED)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, ("the Bank"), the shareholders of the Bank had passed Special Resolutions in the General meeting dated 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to this resolution, the Kotak Mahindra Equity Option Scheme 2015 has been formulated and adopted.

The fair value of the option is determined using a Black-Scholes options pricing model. During the year, ₹ 236.84 lakh (31st March, 2023: ₹ 660.05 lakh) was charged to the Company's standalone statement of profit or loss in respect of equity-settled share-based payments transactions out of which ₹ 219.52 lakh (31st March, 2023: ₹ 366.91) was reimbursed to Bank and balance ₹ 17.32 lakh increased to the capital contribution to the Company by the Parent.

Consequent to the above, the Bank has granted stock options to employees of the Company.

As at 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015 -25	7-Aug-20	Equity settled	25,566	30% - 1 yr service 30% - 2 yr service 20% - 3 yr service 20% - 4 yr service	3.90
ESOP 2015 -30	30-May-21	Equity settled	1,410	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.59
ESOP 2015 -33	17-Jun-21	Equity settled	36,156	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.54
ESOP 2015-34	10-May-22	Equity settled	75,327	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.56
ESOP 2015 - 40	2-May-23	Equity settled	75,710	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.67

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As at 31st March, 2023

Scheme reference	Grant Date	Mode of settlement accounting	No. of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015 -19	20-May-19	Equity settled	69,280	30% - 1 yr service 30% - 2 yr service 20% - 3 yr service 20% - 4 yr service	4.12
ESOP 2015 -25	7-Aug-20	Equity settled	134,482	30% - 1 yr service 30% - 2 yr service 20% - 3 yr service 20% - 4 yr service	3.90
ESOP 2015 -30	30-May-21	Equity settled	2,115	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.59
ESOP 2015 -33	17-Jun-21	Equity settled	64,028	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.55
ESOP 2015-34	10-May-22	Equity settled	125,870	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.56

B. MEASUREMENT OF FAIR VALUES

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

As at 31st March, 2024

Scheme	Grant Date	Vesting period (Years)	Exercise period (Years)	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
ESOP 2015-19	20-May-19	1.20	0.50	1.45	1,460.00	1,460.00	6.63%	0.05%	23.24%	230.35
ESOP 2015-19	20-May-19	2.45	0.50	2.70	1,460.00	1,460.00	6.83%	0.05%	21.16%	330.89
ESOP 2015-19	20-May-19	3.12	0.50	3.37	1,460.00	1,460.00	6.94%	0.05%	21.32%	387.19
ESOP 2015-19	20-May-19	3.62	0.50	3.87	1,460.00	1,460.00	7.03%	0.05%	31.00%	508.28
ESOP 2015-25	7-Aug-20	1.07	0.48	1.31	1,341.00	1,340.10	3.61%	0.06%	39.75%	267.12
ESOP 2015-25	7-Aug-20	2.32	0.48	2.56	1,341.00	1,340.10	4.40%	0.06%	33.09%	340.57
ESOP 2015-25	7-Aug-20	2.90	0.50	3.15	1,341.00	1,340.10	4.85%	0.06%	30.71%	370.15
ESOP 2015-25	7-Aug-20	3.40	0.50	3.65	1,341.00	1,340.10	5.06%	0.06%	29.29%	395.03
ESOP 2015-30	30-May-21	1.08	0.52	1.34	1,801.00	1,800.75	4.05%	0.05%	42.76%	390.94
ESOP 2015-30	30-May-21	2.08	0.52	2.34	1,801.00	1,800.75	4.65%	0.05%	35.50%	463.58
ESOP 2015-30	30-May-21	3.09	0.50	3.34	1,801.00	1,800.75	5.13%	0.05%	32.78%	545.46
ESOP 2015-30	30-May-21	4.09	0.50	4.34	1,801.00	1,800.75	5.53%	0.05%	29.80%	609.04
ESOP 2015-33	17-Jun-21	1.04	0.50	1.29	1,801.00	1,760.60	4.10%	0.05%	43.10%	361.05
ESOP 2015-33	17-Jun-21	2.04	0.50	2.29	1,801.00	1,760.60	4.68%	0.05%	35.65%	433.31



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As at 31st March, 2024

Scheme	Grant Date	Vesting period (Years)	Exercise period (Years)	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
ESOP 2015-33	17-Jun-21	3.04	0.50	3.29	1,801.00	1,760.60	5.14%	0.05%	32.74%	512.29
ESOP 2015-33	17-Jun-21	4.04	0.50	4.29	1,801.00	1,760.60	5.62%	0.05%	29.89%	578.91
ESOP 2015-34	10-May-22	1.06	0.50	1.31	1,798.00	1,767.50	5.75%	0.06%	27.72%	268.84
ESOP 2015-34	10-May-22	2.06	0.50	2.31	1,798.00	1,767.50	6.37%	0.06%	36.85%	481.85
ESOP 2015-34	10-May-22	3.06	0.50	3.31	1,798.00	1,767.50	7.05%	0.06%	33.04%	569.44
ESOP 2015-34	10-May-22	4.06	0.50	4.31	1,798.00	1,767.50	7.26%	0.06%	31.40%	654.77
ESOP 2015-40	2-May-23	1.16	0.52	1.42	1,939.00	1,938.05	7.05%	0.08%	23.45%	307.85
ESOP 2015-40	2-May-23	2.16	0.52	2.42	1,939.00	1,938.05	7.03%	0.08%	24.79%	446.99
ESOP 2015-40	2-May-23	3.16	0.52	3.42	1,939.00	1,938.05	7.10%	0.08%	32.42%	643.38
ESOP 2015-40	2-May-23	4.16	0.52	4.42	1,939.00	1,938.05	7.14%	0.08%	30.80%	729.28

As at 31st March, 2023

Scheme	Grant Date	Vesting period (Years)	Exercise period (Years)	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (INR)
ESOP 2015-19	20-May-19	1.20	0.50	1.45	1,460.00	1,460.00	6.63%	0.05%	23.24%	230.35
ESOP 2015-19	20-May-19	2.45	0.50	2.70	1,460.00	1,460.00	6.83%	0.05%	21.16%	330.89
ESOP 2015-19	20-May-19	3.12	0.50	3.37	1,460.00	1,460.00	6.94%	0.05%	21.32%	387.19
ESOP 2015-19	20-May-19	3.62	0.50	3.87	1,460.00	1,460.00	7.03%	0.05%	31.00%	508.28
ESOP 2015-25	7-Aug-20	1.07	0.48	1.31	1,341.00	1,340.10	3.61%	0.06%	39.75%	267.12
ESOP 2015-25	7-Aug-20	2.32	0.48	2.56	1,341.00	1,340.10	4.40%	0.06%	33.09%	340.57
ESOP 2015-25	7-Aug-20	2.90	0.50	3.15	1,341.00	1,340.10	4.85%	0.06%	30.71%	370.15
ESOP 2015-25	7-Aug-20	3.40	0.50	3.65	1,341.00	1,340.10	5.06%	0.06%	29.29%	395.03
ESOP 2015-30	30-May-21	1.08	0.52	1.34	1,801.00	1,800.75	4.05%	0.05%	42.76%	390.94
ESOP 2015-30	30-May-21	2.08	0.52	2.34	1,801.00	1,800.75	4.65%	0.05%	35.50%	463.58
ESOP 2015-30	30-May-21	3.09	0.50	3.34	1,801.00	1,800.75	5.13%	0.05%	32.78%	545.46
ESOP 2015-30	30-May-21	4.09	0.50	4.34	1,801.00	1,800.75	5.53%	0.05%	29.80%	609.04
ESOP 2015-33	17-Jun-21	1.04	0.50	1.29	1,801.00	1,760.60	4.10%	0.05%	43.10%	361.05
ESOP 2015-33	17-Jun-21	2.04	0.50	2.29	1,801.00	1,760.60	4.68%	0.05%	35.65%	433.31
ESOP 2015-33	17-Jun-21	3.04	0.50	3.29	1,801.00	1,760.60	5.14%	0.05%	32.74%	512.29
ESOP 2015-33	17-Jun-21	4.04	0.50	4.29	1,801.00	1,760.60	5.62%	0.05%	29.89%	578.91
ESOP 2015-34	10-May-22	1.06	0.50	1.31	1,798.00	1,767.50	5.75%	0.06%	27.72%	268.84
ESOP 2015-34	10-May-22	2.06	0.50	2.31	1,798.00	1,767.50	6.37%	0.06%	36.85%	481.85
ESOP 2015-34	10-May-22	3.06	0.50	3.31	1,798.00	1,767.50	7.05%	0.06%	33.04%	569.44
ESOP 2015-34	10-May-22	4.06	0.50	4.31	1,798.00	1,767.50	7.26%	0.06%	31.40%	654.77

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The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

C. RECONCILIATION OF OUTSTANDING SHARE OPTIONS

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2024

Scheme	Grant Date	31 st March, 2024							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2015 -19	20-May-19	69,280	-	(65,535)	(3,320)	(425)	-	-	-
ESOP 2015 -25	7-Aug-20	134,482	-	(99,726)	(810)	(1,914)	(6,466)	25,566	25,566
ESOP 2015-30	30-May-21	2,115	-	(705)	-	-	-	1,410	-
ESOP 2015-33	17-Jun-21	64,028	-	(15,512)	-	(2,830)	(9,530)	36,156	-
ESOP 2015-34	10-May-22	125,870	-	(2,442)	-	(23,839)	(24,262)	75,327	-
ESOP 2015-40	2-May-23	-	96,900	-	-	-	(21,190)	75,710	-
		395,775	96,900	(183,920)	(4,130)	(29,008)	(61,448)	214,169	25,566

Scheme	Grant Date	31 st March, 2023							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2015-14	18-May-18	61,248	-	(61,218)	-	-	(30)	-	-
ESOP 2015 -19	20-May-19	240,022	-	(158,629)	(6,932)	(5,081)	(100)	69,280	69,280
ESOP 2015 -25	7-Aug-20	170,835	-	(19,363)	(15,883)	-	(1,107)	134,482	46,598
ESOP 2015-30	30-May-21	2,820	-	(705)	-	-	-	2,115	-
ESOP 2015-33	17-Jun-21	95,320	-	(16,864)	(9,563)	(4,665)	(200)	64,028	-
ESOP 2015-34	10-May-22	-	138,250	-	(12,380)	-	-	125,870	-
		570,245	138,250	(256,779)	(44,758)	(9,746)	(1,437)	395,775	115,878

* This represents transfer of employees within holding company and its subsidiaries



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The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,430.03 (Previous year: ₹ 1,429.30).

ESOP Scheme	Range of exercise prices (₹)	As at 31 st March, 2024			As at 31 st March, 2023		
		Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
ESOP 2015-19	1401-1500	-	-	-	69,280	0.25	1,460
ESOP 2015-25	1301-1400	25,566	0.25	1,341.00	134,482	0.64	1,341
ESOP 2015-30	1800-1900	1,410	1.25	1,801.00	2,115	1.75	1,801
ESOP 2015-33	1800-1900	36,156	1.25	1,801.00	64,028	1.75	1,801
ESOP 2015-34	1700-1800	75,327	1.67	1,798.00	125,870	2.17	1,798
ESOP 2015-40	1900-2000	75,710	2.25	1,939.00	-	-	-

ii. Stock Appreciation Rights (SAR's) (cash-settled)

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 72,840 SARs during FY 2023-24. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 0.25 year to 3.29 years. (31st March, 2023 0.25 year to 3.21 years)

As at 31st March, 2024

Scheme reference	Grant Date	Mode of settlement accounting	No. of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015-17 (Series 31)	7-Aug-20	Cash settled	5,372	60% - 2023-24 40% - 2024-25	4.11
2015-17 (Series 32)	30-May-21	Cash settled	380	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.13
2015-17 (Series 35)	17-Jun-21	Cash settled	15,292	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.08
2015-17 (Series 39)	29-Apr-22	Cash settled	3,847	33% - 1 yr service 33% - 2 yr service 64% - 3 yr service	3.04
2015-17 (Series 40)	10-May-22	Cash settled	57,322	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.10
2015-17 (Series 55)	2-May-23	Cash settled	63,970	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.20

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As at 31st March, 2023

Scheme reference	Grant Date	Mode of settlement accounting	No. of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015-17 (Series 28)	7-Aug-20	Cash settled	23,828	30% - 2021-22 30% - 2022-23 40% - 2023-24	3.44
2015-17 (Series 31)	7-Aug-20	Cash settled	13,430	60% - 2023-24 40% - 2024-25	4.11
2015-17 (Series 32)	30-May-21	Cash settled	570	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.13
2015-17 (Series 35)	17-Jun-21	Cash settled	27,446	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.08
2015-17 (Series 39)	29-Apr-22	Cash settled	5,740	33% - 1 yr service 33% - 2 yr service 64% - 3 yr service	3.05
2015-17 (Series 40)	10-May-22	Cash settled	88,360	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.10

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

As at 31st March, 2024

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (INR)
Series 2015-17 (Series 31)									
Tranche IV	7-Aug-20	0.42	0.42	-	1,785.50	7.11%	0.08%	17.44%	1,784.87
Tranche V	7-Aug-20	0.44	0.44	-	1,785.50	7.13%	0.08%	17.79%	1,784.84
Tranche VI	7-Aug-20	0.46	0.46	-	1,785.50	7.14%	0.08%	17.64%	1,784.81
Series 2015-32 (Series 32)									
Tranche VII	30-May-21	0.25	0.25	-	1,785.50	7.02%	0.08%	19.24%	1,785.13
Tranche VIII	30-May-21	0.27	0.27	-	1,785.50	7.03%	0.08%	19.19%	1,785.10
Tranche IX	30-May-21	0.29	0.29	-	1,785.50	7.04%	0.08%	18.84%	1,785.07
Tranche X	30-May-21	1.25	1.25	-	1,785.50	7.07%	0.08%	17.40%	1,783.63
Tranche XI	30-May-21	1.27	1.27	-	1,785.50	7.07%	0.08%	17.35%	1,783.60
Tranche XII	30-May-21	1.29	1.29	-	1,785.50	7.07%	0.08%	17.28%	1,783.57
Series 2015-32 (Series 35)									
Tranche VII	17-Jun-21	0.25	0.25	-	1,785.50	7.02%	0.08%	19.24%	1,785.13
Tranche VIII	17-Jun-21	0.27	0.27	-	1,785.50	7.03%	0.08%	19.19%	1,785.10
Tranche IX	17-Jun-21	0.29	0.29	-	1,785.50	7.04%	0.08%	18.84%	1,785.07
Tranche X	17-Jun-21	1.25	1.25	-	1,785.50	7.07%	0.08%	17.40%	1,783.63
Tranche XI	17-Jun-21	1.27	1.27	-	1,785.50	7.07%	0.08%	17.35%	1,783.60
Tranche XII	17-Jun-21	1.29	1.29	-	1,785.50	7.07%	0.08%	17.28%	1,783.57



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As at 31st March, 2024

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (INR)
Series 2015-32 (Series 39)									
Tranche IV	29-Apr-22	0.08	0.08	-	1,785.50	6.93%	0.08%	15.71%	1,785.38
Tranche V	29-Apr-22	0.10	0.10	-	1,785.50	6.94%	0.08%	16.39%	1,785.35
Tranche VI	29-Apr-22	0.12	0.12	-	1,785.50	6.95%	0.08%	15.85%	1,785.32
Tranche VII	29-Apr-22	1.08	1.08	-	1,785.50	7.10%	0.08%	17.71%	1,783.88
Tranche VIII	29-Apr-22	1.10	1.10	-	1,785.50	7.09%	0.08%	17.68%	1,783.85
Tranche IX	29-Apr-22	1.12	1.12	-	1,785.50	7.09%	0.08%	17.61%	1,783.82
Series 2015-32 (Series 40)									
Tranche IV	10-May-22	0.17	0.17	-	1,785.50	6.97%	0.08%	18.90%	1,785.25
Tranche V	10-May-22	0.19	0.19	-	1,785.50	6.98%	0.08%	19.31%	1,785.22
Tranche VI	10-May-22	0.21	0.21	-	1,785.50	7.00%	0.08%	20.32%	1,785.19
Tranche VII	10-May-22	1.17	1.17	-	1,785.50	7.08%	0.08%	17.63%	1,783.75
Tranche VIII	10-May-22	1.19	1.19	-	1,785.50	7.08%	0.08%	17.59%	1,783.72
Tranche IX	10-May-22	1.21	1.21	-	1,785.50	7.08%	0.08%	17.54%	1,783.69
Tranche X	10-May-22	2.17	2.17	-	1,785.50	7.14%	0.08%	20.86%	1,782.25
Tranche XI	10-May-22	2.19	2.19	-	1,785.50	7.14%	0.08%	20.94%	1,782.22
Tranche XII	10-May-22	2.21	2.21	-	1,785.50	7.14%	0.08%	20.91%	1,782.19
Series 2015-32 (Series 55)									
Tranche I	2-May-23	0.25	0.25	-	1,785.50	7.02%	0.08%	19.24%	1,785.13
Tranche II	2-May-23	0.27	0.27	-	1,785.50	7.03%	0.08%	19.19%	1,785.10
Tranche III	2-May-23	0.29	0.29	-	1,785.50	7.04%	0.08%	18.84%	1,785.07
Tranche IV	2-May-23	1.25	1.25	-	1,785.50	7.07%	0.08%	17.40%	1,783.63
Tranche V	2-May-23	1.27	1.27	-	1,785.50	7.07%	0.08%	17.35%	1,783.60
Tranche VI	2-May-23	1.29	1.29	-	1,785.50	7.07%	0.08%	17.28%	1,783.57
Tranche VII	2-May-23	2.25	2.25	-	1,785.50	7.14%	0.08%	21.05%	1,782.13
Tranche VIII	2-May-23	2.27	2.27	-	1,785.50	7.14%	0.08%	21.03%	1,782.10
Tranche IX	2-May-23	2.29	2.29	-	1,785.50	7.14%	0.08%	21.22%	1,782.07
Tranche X	2-May-23	3.25	3.25	-	1,785.50	7.18%	0.08%	22.98%	1,780.63
Tranche XI	2-May-23	3.27	3.27	-	1,785.50	7.18%	0.08%	22.98%	1,780.60
Tranche XII	2-May-23	3.29	3.29	-	1,785.50	7.18%	0.08%	22.92%	1,780.57

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As at 31st March, 2023

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (INR)
Series 2015-17 (Series 28)									
Tranche VII	7-Aug-20	0.25	0.25	-	1,721.05	7.00%	0.06%	16.01%	1,720.77
Tranche VIII	7-Aug-20	0.27	0.27	-	1,721.05	7.02%	0.06%	15.86%	1,720.75
Tranche IX	7-Aug-20	0.29	0.29	-	1,721.05	7.03%	0.06%	15.63%	1,720.73
Tranche X	7-Aug-20	0.75	0.75	-	1,721.05	7.32%	0.06%	19.31%	1,720.22
Tranche XI	7-Aug-20	0.77	0.77	-	1,721.05	7.32%	0.06%	19.13%	1,720.20
Tranche XII	7-Aug-20	0.79	0.79	-	1,721.05	7.31%	0.06%	19.61%	1,720.18
Series 2015-17 (Series 31)									
Tranche I	7-Aug-20	0.42	0.42	-	1,721.05	7.16%	0.06%	15.02%	1,720.59
Tranche II	7-Aug-20	0.44	0.44	-	1,721.05	7.17%	0.06%	15.59%	1,720.57
Tranche III	7-Aug-20	0.46	0.46	-	1,721.05	7.19%	0.06%	15.66%	1,720.55
Tranche IV	7-Aug-20	1.42	1.42	-	1,721.05	7.21%	0.06%	24.38%	1,719.49
Tranche V	7-Aug-20	1.44	1.44	-	1,721.05	7.20%	0.06%	24.82%	1,719.46
Tranche VI	7-Aug-20	1.46	1.46	-	1,721.05	7.20%	0.06%	24.71%	1,719.44
Series 2015-32 (Series 32)									
Tranche IV	30-May-21	0.25	0.25	-	1,721.05	7.00%	0.06%	16.01%	1,720.77
Tranche V	30-May-21	0.27	0.27	-	1,721.05	7.02%	0.06%	15.86%	1,720.75
Tranche VI	30-May-21	0.29	0.29	-	1,721.05	7.03%	0.06%	15.63%	1,720.73
Tranche VII	30-May-21	1.25	1.25	-	1,721.05	7.24%	0.06%	23.35%	1,719.67
Tranche VIII	30-May-21	1.27	1.27	-	1,721.05	7.24%	0.06%	23.39%	1,719.65
Tranche IX	30-May-21	1.29	1.29	-	1,721.05	7.23%	0.06%	23.54%	1,719.63
Tranche X	30-May-21	2.25	2.25	-	1,721.05	7.26%	0.06%	24.95%	1,718.57
Tranche XI	30-May-21	2.27	2.27	-	1,721.05	7.26%	0.06%	24.93%	1,718.55
Tranche XII	30-May-21	2.29	2.29	-	1,721.05	7.27%	0.06%	24.84%	1,718.53
Series 2015-32 (Series 35)									
Tranche IV	17-Jun-21	0.25	0.25	-	1,721.05	7.00%	0.06%	16.01%	1,720.77
Tranche V	17-Jun-21	0.27	0.27	-	1,721.05	7.02%	0.06%	15.86%	1,720.75
Tranche VI	17-Jun-21	0.29	0.29	-	1,721.05	7.03%	0.06%	15.63%	1,720.73
Tranche VII	17-Jun-21	1.25	1.25	-	1,721.05	7.24%	0.06%	23.35%	1,719.67
Tranche VIII	17-Jun-21	1.27	1.27	-	1,721.05	7.24%	0.06%	23.39%	1,719.65
Tranche IX	17-Jun-21	1.29	1.29	-	1,721.05	7.23%	0.06%	23.54%	1,719.63
Tranche X	17-Jun-21	2.25	2.25	-	1,721.05	7.26%	0.06%	24.95%	1,718.57
Tranche XI	17-Jun-21	2.27	2.27	-	1,721.05	7.26%	0.06%	24.93%	1,718.55
Tranche XII	17-Jun-21	2.29	2.29	-	1,721.05	7.27%	0.06%	24.84%	1,718.53
Series 2015-32 (Series 39)									
Tranche I	29-Apr-22	0.08	0.08	-	1,721.05	6.85%	0.06%	17.57%	1,720.96
Tranche II	29-Apr-22	0.10	0.10	-	1,721.05	6.86%	0.06%	17.28%	1,720.94
Tranche III	29-Apr-22	0.12	0.12	-	1,721.05	6.88%	0.06%	16.65%	1,720.92
Tranche IV	29-Apr-22	1.08	1.08	-	1,721.05	7.27%	0.06%	21.67%	1,719.86
Tranche V	29-Apr-22	1.10	1.10	-	1,721.05	7.27%	0.06%	22.35%	1,719.83
Tranche VI	29-Apr-22	1.12	1.12	-	1,721.05	7.27%	0.06%	22.87%	1,719.81



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As at 31st March, 2023

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (INR)
Tranche VII	29-Apr-22	2.08	2.08	-	1,721.05	7.21%	0.06%	24.65%	1,718.76
Tranche VIII	29-Apr-22	2.10	2.10	-	1,721.05	7.22%	0.06%	24.74%	1,718.74
Tranche IX	29-Apr-22	2.12	2.12	-	1,721.05	7.22%	0.06%	24.75%	1,718.72
Series 2015-32 (Series 40)									
Tranche I	10-May-22	0.17	0.17	-	1,721.05	6.92%	0.06%	17.07%	1,720.87
Tranche II	10-May-22	0.19	0.19	-	1,721.05	6.94%	0.06%	16.88%	1,720.84
Tranche III	10-May-22	0.21	0.21	-	1,721.05	6.96%	0.06%	16.59%	1,720.82
Tranche IV	10-May-22	1.17	1.17	-	1,721.05	7.26%	0.06%	23.20%	1,719.76
Tranche V	10-May-22	1.19	1.19	-	1,721.05	7.25%	0.06%	23.31%	1,719.74
Tranche VI	10-May-22	1.21	1.21	-	1,721.05	7.25%	0.06%	23.18%	1,719.72
Tranche VII	10-May-22	2.17	2.17	-	1,721.05	7.24%	0.06%	25.14%	1,718.66
Tranche VIII	10-May-22	2.19	2.19	-	1,721.05	7.24%	0.06%	25.14%	1,718.64
Tranche IX	10-May-22	2.21	2.21	-	1,721.05	7.25%	0.06%	25.09%	1,718.62
Tranche X	10-May-22	3.17	3.17	-	1,721.05	7.29%	0.06%	33.11%	1,717.57
Tranche XI	10-May-22	3.19	3.19	-	1,721.05	7.29%	0.06%	33.18%	1,717.54
Tranche XII	10-May-22	3.21	3.21	-	1,721.05	7.29%	0.06%	33.10%	1,717.52

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2024.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	31 st March, 2024					
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Forfeited during the year	Outstanding at the end of the year
2015-17 (Series 28)	7-Aug-20	23,828	-	(21,910)	(62)	(1,856)	-
2015-17 (Series 31)	7-Aug-20	13,430	-	(8,058)	-	-	5,372
2015-17 (Series 32)	30-May-21	570	-	(190)	-	-	380
2015-17 (Series 35)	17-Jun-21	27,446	-	(9,109)	-	(3,045)	15,292
2015-17 (Series 39)	29-Apr-22	5,740	-	(1,893)	-	-	3,847
2015-17 (Series 40)	10-May-22	88,360	-	(21,940)	275	(9,373)	57,322
2015-17 (Series 55)	2-May-23	-	72,840	-	990	(9,860)	63,970
		159,374	72,840	(63,100)	1,203	(24,134)	146,183

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Scheme	Grant Date	31 st March, 2023					
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Forfeited during the year	Outstanding at the end of the year
2015-17 (Series 22)	20-May-19	24,936	-	(24,204)	(712)	(20)	-
2015-17 (Series 28)	7-Aug-20	46,144	-	(18,531)	(3,496)	(289)	23,828
2015-17 (Series 31)	7-Aug-20	17,160	-	-	(3,730)	-	13,430
2015-17 (Series 32)	30-May-21	760	-	(190)	-	-	570
2015-17 (Series 35)	17-Jun-21	41,010	-	(10,221)	(3,233)	(110)	27,446
2015-17 (Series 39)	29-Apr-22	-	5,740	-	-	-	5,740
2015-17 (Series 40)	10-May-22	-	94,530	-	(5,920)	(250)	88,360
		130,010	100,270	(53,146)	(17,091)	(669)	159,374

* This represents transfer of employees within holding company and its subsidiaries

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

(₹ in Lakh)

Year ended 31 st March,	2024	2023
Total Employee compensation cost pertaining to share-based payment plans	1,393.15	2,035.98
Compensation cost pertaining to equity-settled employee share-based payment plan included above	236.84	660.05
Closing balance of liability for cash-settled options	1,527.48	1,553.26
Total intrinsic value of liabilities for vested benefits	-	-

32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as on Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortized Cost.

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	FVTPL	FVTOCI	Others	Amortized cost	FVTPL	FVTOCI	Others	Amortized cost
Financial assets								
Cash and cash equivalents	-	-	-	17.55	-	-	-	191.55
Bank Balance other than cash and cash equivalents	-	-	-	10.73	-	-	-	220.05
Receivables:								
Trade receivables	-	-	-	6,701.56	-	-	-	4,199.89
Other receivables	-	-	-	39.91	-	-	-	37.83
Loans	-	-	-	32.82	-	-	-	35.47
Investments	234,091.46	-	2,940.00	-	184,395.21	-	2,940.00	-
Other financial assets	-	-	-	132.07	-	-	-	130.86
Total financial assets	234,091.46	-	2,940.00	6,934.64	184,395.21	-	2,940.00	4,815.65
Financial liabilities								
Payables								
Trade Payables	-	-	-	2,338.92	-	-	-	2,452.25
Other Financial liabilities	-	-	-	10,917.89	-	-	-	10,625.25
Total financial liabilities	-	-	-	13,256.81	-	-	-	13,077.50



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B. FAIR VALUE HIERARCHY:

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

(₹ in Lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments at FVTPL								
- Mutual funds	222,628.03	6,713.23	-	229,341.26	177,408.59	4,709.56	-	182,118.15
- Alternate Investments Funds	3,451.31	-	-	3,451.31	1,019.50	-	-	1,019.50
- Equity instruments	-	-	1,298.89	1,298.89	-	-	1,257.56	1,257.56
Total financial assets	226,079.34	6,713.23	1,298.89	234,091.46	178,428.09	4,709.56	1,257.56	184,395.21

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

(₹ in Lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans								
- Employee Loans	-	-	32.82	32.82	-	-	35.47	35.47
Other financial assets								
- Security deposits	-	-	109.98	109.98	-	-	109.77	109.77
Total financial assets	-	-	142.80	142.80	-	-	145.24	145.24

C. MEASUREMENT OF FAIR VALUES

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

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

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

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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Fair value of financial assets measured at amortized cost

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	17.55	17.55	191.55	191.55
Bank Balance other than cash and cash equivalent	10.73	10.73	220.05	220.05
Receivables:				
Trade receivables	6,701.56	6,701.56	4,199.89	4,199.89
Other receivables	39.91	39.91	37.83	37.83
Loans				
- Employee Loans	32.82	32.82	35.47	35.47
Other financial assets				
- Security deposits	109.98	109.98	109.77	109.77
- Others	22.09	22.09	21.09	21.09
	6,934.64	6,934.64	4,815.65	4,815.65
Financial liabilities				
Payables				
Trade Payables	2,338.92	2,338.92	2,452.25	2,452.25
Other Financial liabilities	10,917.89	10,917.89	10,625.25	10,625.25
Total financial liabilities	13,256.81	13,256.81	13,077.50	13,077.50

The carrying amounts of Cash and cash equivalents, Bank Balance other than cash and cash equivalent, trade receivables, other receivables, other deposits, trade payables, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on current market rates at which loans are granted and consequently for the purposes of level disclosures categorized under Level 3.
Security Deposits	For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

D. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk,
- Liquidity risk, and
- Market risk



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Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The carrying amounts of following financial assets represent the maximum credit risk exposure:-

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade and other receivables	6,741.47	4,241.08
Cash and cash equivalents	17.55	191.60
Bank balance other than cash and cash equivalents	10.73	220.10
Other Financial assets	132.07	131.00
Employee Loans	32.82	36.32
Total	6,934.64	4,820.10

a. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortized cost:

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade and other receivables		
Current	6,741.47	4,241.08
Past due 0–30 days	-	-
Past due 31–60 days	-	-
Past due 61–90 days	-	-
Past due 90 days	-	-
	6,741.47	4,241.08

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loans		
Current	32.82	36.32
Past due 0–30 days	-	-
Past due 31–90 days	-	-
Past due 90 days	-	-
	32.82	36.32

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Cash and cash equivalents, Bank balance other than cash and cash equivalents and Other financial assets

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current	160.35	542.69
Past due 0–30 days	-	-
Past due 31–90 days	-	-
Past due 90 days	-	-
	160.35	542.69

Concentration of credit risk

C. AMOUNTS ARISING FROM ECL

i. Inputs, assumptions and techniques used for estimating impairment

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Inputs considered in the ECL model:

The company categorizes Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables."

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the company operates and other macro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Trade and Other Receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers and accordingly expected credit loss is immaterial.

Cash and Cash Equivalents and Other Bank Balances

The Company holds cash and cash equivalents and other bank balances as per note 2(a) and 2(b). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high and accordingly expected credit loss is immaterial.

Employee Loans

Employee loans have been considered to enjoy the low credit risk as they meet the following criteria:

- i) they have a low risk of default,
- ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
- iii) the company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations and accordingly expected credit loss is immaterial.



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Other Financial assets

Other financial assets include security and other deposits. The Company believes these assets to be of high quality and perceives low credit risk and accordingly expected credit loss is immaterial.

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakh)

Particulars	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
As at 31st March, 2024						
Financial liabilities						
Trade and other Payables	2,338.92	2,338.92	2,338.92	-	-	-
Lease liabilities	2,706.77	3,366.15	613.36	612.22	1,310.44	830.13
Other Financial Liabilities	10,917.89	10,917.89	7,142.55	3,741.25	34.09	-
Total Financial Liabilities	15,963.58	16,622.96	10,094.83	4,353.47	1,344.53	830.13

(₹ in Lakh)

Particulars	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
As at 31st March, 2023						
Financial liabilities						
Trade and other Payables	2,452.25	2,452.25	2,452.25	-	-	-
Lease liabilities	2,079.98	2,507.17	511.57	479.20	1,176.51	339.89
Other Financial Liabilities	10,625.25	10,625.25	7,125.84	3,431.56	67.85	-
Total Financial Liabilities	15,157.48	15,584.67	10,089.66	3,910.76	1,244.37	339.89

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to, interest rate risk, market value of our investments and foreign exchange rate risk. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generation (including foreign currency) and operating activities.

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(i) **Price risk**

Price risk is the risk that the financial assets at fair value through profit or loss may fluctuate as a result of changes in market prices.

The Company's exposure to price risk arises from investments in equity shares, units of equity mutual funds and alternate investment funds which are classified as financial assets at Fair Value Through Profit and Loss and amounts to as follows :

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Exposure to price risk	96,164.16	51,588.53

Sensitivity Analysis:

The table below sets out the effect on profit or loss and equity due to reasonable possible increase / decrease in prices of 5%

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Effect on Profit after tax and equity		
5% increase in prices	3,598.08	1,930.24
5% decrease in prices	(3,598.08)	(1,930.24)

(ii) **Interest rate risk**

Interest rate risk is the risk where the company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of a changes in market interest rates.

The Company's exposure to interest rate risk arises from investments in units of mutual funds which are classified as financial assets at Fair Value Through Profit and Loss and amounts to as follows :

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Exposure to interest rate risk	137,927.30	132,806.69

Sensitivity Analysis:

The table below sets out the effect on profit or loss and equity due to reasonable possible increase / decrease in prices of 1%:

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Effect on Profit after tax and equity		
1% increase in prices	1,032.14	993.82
1% decrease in prices	(1,032.14)	(993.82)



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(iii) Currency risk

The Company is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Company is Indian Rupee i.e. INR.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities is as below:

(₹ in Lakh)

Particulars	31 st March, 2024	31 st March, 2023
	USD	USD
Financial assets		
Trade and other receivables	-	-
Kotak Mahindra International Limited	-	0.43
Kotak Mahindra Asset Management (Singapore)Pte Ltd	-	-
	-	0.43
Financial liabilities	-	-
	-	-
	-	0.43

The following exchange rates have been applied during the year.

(₹ in Lakh)

Particulars	Year-end spot rate	
	31 st March, 2024	31 st March, 2023
INR		
USD 1	83.41	82.18

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at 31st March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakh)

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2024				
USD - 1% Movement	-	-	-	-
	-	-	-	-

(₹ in Lakh)

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2023				
USD - 1% Movement	(0.35)	0.35	(0.26)	0.26
	(0.35)	0.35	(0.26)	0.26

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33 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recognised following amounts relating revenue in the Standalone Statement of Profit and Loss:

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Revenue from contracts with customers (over the period)	92,636.57	80,321.43

Information about revenue from major customers:

There is only one customer contributing in excess of 10% of the total revenue of the Company. The amounts for the same are as follows:

(₹ in Lakh)

Particulars	For the year ended	
	31 st March, 2024	31 st March, 2023
Revenue from Kotak Mahindra Mutual Fund	88,515.40	76,369.07

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major service lines and timing of revenue recognition:

(₹ in Lakh)

Particulars	31 st March, 2024	31 st March, 2023
Geographical markets		
India	91,911.57	79,376.43
Outside India	725.00	945.00
Total	92,636.57	80,321.43

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Receivables	6,701.56	4,199.89

34. INVESTMENT IN UNCONSOLIDATED STRUCTURED ENTITIES

The Company acts as the fund manager for several investment vehicles, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision-making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.



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The following tables show the income & carrying amount of the Company's recorded interest in the structured entities as well as the maximum exposure to risk due to these exposures in the unconsolidated structured entities and asset management activities:

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Total AUM	Investment by the Company	Total AUM	Investment by the Company
Financial investments classified as FVTPL				
Kotak Mahindra Mutual Fund	17,301,445.18	229,341.26	13,022,606.40	182,118.15
Kotak India Renaissance Fund 1	14,166.77	1,356.44	20,823.75	1,019.50

The following table sets out an analysis of the carrying amounts of interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

(₹ in Lakh)

Carrying amount	As at 31 st March, 2024	As at 31 st March, 2023
Investments	230,697.70	183,137.65
Fees Receivable	5,758.33	3,497.91

35 CAPITAL DISCLOSURE

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

36 DISCLOSURE U/S. 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakh)

Particulars	31 st March, 2024	31 st March, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-
Principal	-	-
Interest	-	-
The amounts of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above information is based on information available with the Company, with regard to amounts paid/payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA).

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37 LEASE DISCLOSURES

1 LEASES

Kotak Mahindra Asset Management Company Limited leases Premises. The average lease term is 6 - 9 years. 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.

2 AMOUNTS RECOGNISED IN THE BALANCE SHEET

(₹ in Lakh)

Particulars	Note	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Property, plant and equipment owned	7	1,218.75	1,101.05
Right-of-use assets		2,379.41	1,749.54

Kotak Mahindra Asset Management Company Limited leases Premises. Information about the leases for which Kotak Mahindra Asset Management Company Limited is a lessee is presented below:

Right-of-use assets

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Balance as at 1 April	1,749.54	1,680.84
Additions to the right to use assets during year	1,093.12	437.07
Deletions to the right to use assets during year	(43.64)	(13.13)
Depreciation charge for the year	(419.61)	(355.24)
Balance as at 31 March	2,379.41	1,749.54

3 AMOUNTS RECOGNISED IN STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest expense on lease liabilities	157.84	140.91
Expense relating to short-term leases	1,037.19	839.01
Depreciation on right to use assets	419.61	355.24

4 THE FOLLOWING IS THE MOVEMENT IN LEASE LIABILITY:

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Opening as on 1st April	2,079.98	1,996.21
Additions to the lease liabilities during the year	1,075.82	432.84
Deletions to the right to use assets during year	(43.64)	(13.13)
Interest accrued during the year	157.84	140.91
Payment of Lease liabilities	(563.23)	(476.85)
Balance as at 31st March	2,706.77	2,079.98



Schedules

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

5 MATURITY ANALYSIS

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Contractual undiscounted cash flows		
Not later than 1 year	613.36	511.57
Later than 1 year and not later than 5 years	1,922.66	1,655.71
Later than 5 years	830.13	339.89
Total undiscounted lease liabilities	3,366.15	2,507.17

Kotak Mahindra Asset Management Company Limited does not face a significant liquidity risk with regard to its lease liabilities

6 SHORT TERM LEASES AND LEASES OF LOW VALUE ASSETS

Kotak Mahindra Asset Management Company Limited has elected not to recognise right of use assets and lease liabilities for short term leases of Premises that have a lease term of 12 months or less and leases of low value assets. Kotak Mahindra Asset Management Company Limited recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

38 TAX EXPENSE :

(A) AMOUNTS RECOGNIZED IN THE STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax expense		
Current period	14,281.60	13,280.94
Current tax pertaining to prior periods	27.17	123.63
Total current tax expense (A)	14,308.77	13,404.57
Deferred Tax Expense		
Origination and reversal of temporary differences		
On account of Deferred tax assets	303.70	(303.03)
On account of Deferred tax liabilities	3,378.43	(951.09)
Income tax relating to items that will not be reclassified to profit or loss	(17.76)	8.46
Deferred tax expense (B)	3,664.37	(1,245.66)
Tax expense for the year (A)+(B)	17,973.14	12,158.91

(B) AMOUNTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024			For the year ended 31 st March, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	70.57	(17.76)	52.81	(33.61)	8.46	(25.15)
Total	70.57	(17.76)	52.81	(33.61)	8.46	(25.15)

Schedules

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

(C) RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	Amount	%	Amount	%
Profit before tax	77,031.56		55,268.74	
Tax using the Company's domestic tax rate	19,387.30	25.17%	13,910.04	25.17%
Tax effect of:				
Non-deductible expenses				
Contribution towards corporate social responsibility	243.93	0.32%	223.49	0.40%
Share Based Payments to employees	4.36	0.01%	73.78	0.13%
Capital gains on investments taxed at different rate	(1,754.75)	-2.28%	(2,078.75)	-3.76%
Others	92.30	0.12%	30.35	0.05%
Total income tax expenses	17,973.14	23.33%	12,158.91	22.00%

(D) TAX BALANCES

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax assets (Net)		
(Net of Provision for Tax of ₹ 24,543.72 Lakh) (March 31, 2023: ₹ 12,051.90 Lakh))	816.70	200.48
Current tax liabilities (Net)		
(Net of advance tax and Tax deducted at source of ₹ 53,680.91 Lakh) (March 31, 2023: ₹ 51,834.23 Lakh)	322.08	347.42

(E) MOVEMENT IN DEFERRED TAX BALANCES

(₹ in Lakh)

Particulars	Net balance 01 st April, 2023	31 st March, 2024				
		Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset - (Net)						
Property, plant and equipment	249.78	28.11	-	277.89	277.89	-
Security deposits	1.20	0.44	-	1.64	1.64	-
Profit on sale of Mutual Fund	95.31	(94.49)	-	0.82	0.82	-
Employee benefits	653.08	(233.00)	-	420.08	420.08	-
Actuarial gain/loss - OCI	-	17.76	(17.76)	-	-	-
Impairment on financial instruments	1.12	(1.12)	-	0.00	0.00	-
Cash-settled share-based payments	390.94	(6.49)	-	384.45	384.45	-
Lease Liabilities	91.93	2.86	-	94.79	94.79	-
Total	1,483.36	(285.93)	(17.76)	1,179.67	1,179.67	-
Deferred tax liabilities -(Net)						
Fair valuation of investments	(1,136.33)	(3,378.43)	-	(4,514.76)	-	(4,514.76)
Total	(1,136.33)	(3,378.43)	-	(4,514.76)	-	(4,514.76)



Schedules

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

(₹ in Lakh)

Particulars	Net balance 01 st April, 2022	31 st March, 2023				
		Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset - (Net)						
Property, plant and equipment	261.74	(11.96)	-	249.78	249.78	-
Security deposits	1.15	0.05	-	1.20	1.20	-
Profit on sale of Mutual Fund	82.19	13.12	-	95.31	95.31	-
Employee benefits	420.27	232.81	-	653.08	653.08	-
Actuarial gain/loss - OCI	-	(8.46)	8.46	-	-	-
Impairment on financial instruments	1.42	(0.30)	-	1.12	1.12	-
Cash-settled share-based payments	327.24	63.70	-	390.94	390.94	-
Lease Liabilities	86.32	5.61	-	91.93	91.93	-
Total	1,180.33	294.57	8.46	1,483.36	1,483.36	-
Deferred tax liabilities - (Net)						
Fair valuation of investments	(2,087.42)	951.09	-	(1,136.33)	-	(1,136.33)
Total	(2,087.42)	951.09	-	(1,136.33)	-	(1,136.33)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax liabilities is on account of unrealised gain on Fair valuation of investments which is taxed under the capital gains and the same will not be eligible for set off against deferred taxes from income from business. Accordingly, the same has been disclosed separately in the standalone financial statements.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

39 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakh)

Particulars	31 st March, 2024			31 st March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	17.55	-	17.55	191.55	-	191.55
Bank balance other than cash and cash equivalents above	10.73	-	10.73	220.05	-	220.05
Receivables						
(I) Trade receivables	6,701.56	-	6,701.56	4,199.89	-	4,199.89
(II) Other receivables	39.91	-	39.91	37.83	-	37.83
Loans	4.83	27.99	32.82	11.37	24.10	35.47
Investments	196,164.29	40,867.17	237,031.46	158,422.72	28,912.49	187,335.21
Other Financial assets	3.59	128.48	132.07	20.00	110.86	130.86
Sub total	202,942.46	41,023.64	243,966.10	163,103.41	29,047.45	192,150.86

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

Particulars	31 st March, 2024			31 st March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets						
Current Tax assets (Net)	-	816.70	816.70	-	200.48	200.48
Deferred Tax assets (Net)	-	1,179.67	1,179.67	-	1,483.36	1,483.36
Property, Plant and Equipment	-	1,218.75	1,218.75	-	1,101.05	1,101.05
Intangible assets	-	416.24	416.24	-	632.17	632.17
Right of use asset	-	2,379.41	2,379.41	-	1,749.54	1,749.54
Intangible assets under development	142.14	-	142.14	49.18	-	49.18
Other Non-financial assets	619.49	73.77	693.26	621.07	23.20	644.27
Sub total	761.63	6,084.54	6,846.17	670.25	5,189.80	5,860.05
Total Assets	203,704.09	47,108.18	250,812.27	163,773.66	34,237.25	198,010.91
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,338.92	-	2,338.92	2,452.25	-	2,452.25
Lease liabilities	450.53	2,256.24	2,706.77	388.44	1,691.54	2,079.98
Other Financial liabilities	7,142.55	3,775.34	10,917.89	7,125.84	3,499.41	10,625.25
Sub total	9,932.00	6,031.58	15,963.58	9,966.53	5,190.95	15,157.48
Non-Financial liabilities						
Current tax liabilities (Net)	-	322.08	322.08	-	347.42	347.42
Provisions	807.28	856.68	1,663.96	975.23	814.93	1,790.16
Deferred tax liabilities (Net)	-	4,514.76	4,514.76	-	1,136.33	1,136.33
Other non-financial liabilities	3,106.56	-	3,106.56	2,291.74	-	2,291.74
Sub total	3,913.84	5,693.52	9,607.36	3,266.97	2,298.68	5,565.65
Total Liabilities	13,845.84	11,725.10	25,570.94	13,233.50	7,489.63	20,723.13



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

40 TRADE PAYABLES AGEING SCHEDULE

AS ON 31ST MARCH, 2024

(₹ in Lakh)

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME						-
(ii) Others	1,649.61	686.65	2.66	-	-	2,338.92
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

AS ON 31ST MARCH, 2023

(₹ in Lakh)

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1,553.52	895.84	2.39	0.50	-	2,452.25
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

41 TRADE RECEIVABLE AGEING SCHEDULE

AS ON 31ST MARCH 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,701.56	-	-	-	-	6,701.56
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

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

AS ON 31ST MARCH 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,203.25	-	-	-	-	4,203.25
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

42 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(I) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(II) BORROWING SECURED AGAINST CURRENT ASSETS

The Company has not borrowed from banks and financial institutions on the basis of security of current assets.

(III) WILFUL DEFAULTER

The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(IV) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(V) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(VI) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(VII) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries



Schedules

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

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(VIII) UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(IX) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(X) VALUATION OF PP&E, INTANGIBLE ASSET AND INVESTMENT PROPERTY

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(XI) FINANCIAL RATIOS

The Company is in the business of providing Asset Management Services, financial ratios such as Capital to risk-weighted assets ratio ('CRAR') and Liquidity Coverage Ratio are not applicable.

OTHER REGULATORY INFORMATION

- (i) Title deeds of immovable properties not held in name of the company

The Company does not have immovable property, hence this clause is not applicable.

- (ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are to be registered with the Registrar of Companies.

- (iii) Utilisation of borrowings availed from banks and financial institutions

The Company has not borrowed from banks and financial institutions, hence this clause is not applicable.

43 SEBI MATTER

Pursuant to the Show Cause Notice issued in May 2019 with respect to certain Fixed Maturity Plan's (FMP) of Kotak Mahindra Mutual Fund, an order dated 27th August, 2021 has been passed by the SEBI, imposing certain penalties, reimbursement of proportionate management fees to unitholders earned and restraint on launching new FMP's for certain period of time. The Company has filed an appeal against it with the appellate authorities for which stay order has been received on 21st October, 2021. Management has ascertained that possible cash outflow for the above if any will be met out of the deposit maintained by the investee company and will not impact the profit and loss of the Company. Further certain employees of the Company received an order dated 30th June, 2022, whereby SEBI has imposed penalties on them. The Company had filed an appeal against the same with the appellate authorities for which a stay order has been received on 24th August, 2022.

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44 AUDIT TRAIL

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trail was enabled or not as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes at the database level. Further, two of the accounting software do not create audit trail log for any direct data changes at the database level. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31st March, 2024.

45 SEGMENT INFORMATION

The Company is in the business of providing asset management services to Kotak Mahindra Mutual Fund and portfolio management, advisory services and alternate investment funds services to clients. The primary segment is identified as asset management services. As such, the Company's standalone financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the entity and assess the performance of the operating segment of the Company.

**For and on behalf of the Board of Directors of
Kotak Mahindra Asset Management Company Limited**

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Chartered Accountants

Alpa Kedia

Partner

Membership No.:100681

29th April, 2024

Place: Mumbai

Nilesh Shah

Managing Director

DIN : 01711720

Krishnan Ramchandran

Chief Financial Officer

Membership No.46586

29th April, 2024

Place: Mumbai

Gaurang Shah

Director

DIN : 00016660

Darshana Tanna

Company Secretary

Membership No.26002



Kotak Mahindra Asset Management Company Limited
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Company Website: www.kotakmf.com
Kotak Mahindra Bank Website: www.kotak.com

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